

7.1

Avis et communiqués

7.1 AVIS ET COMMUNIQUÉS

ICE Trade Vault, LLC (« ICE TV ») – Demande de reconnaissance à titre de référentiel central

L'Autorité des marchés financiers (l'« Autorité ») publie la demande de reconnaissance à titre de référentiel central, déposée par ICE TV le 28 juillet 2014 en vertu de la *Loi sur les instruments dérivés*, L.R.Q., c. I-14.01. L'Autorité invite toutes les personnes intéressées à lui présenter leurs observations relativement à cette demande.

(Les textes sont reproduits ci-après.)

Commentaires

Les personnes intéressées à soumettre des commentaires peuvent en transmettre une copie, au plus tard le 2 septembre 2014, à :

Me Anne-Marie Beaudoin
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Montréal (Québec) H4Z 1G3
Télécopieur : 514 864-6381
Courrier électronique : consultation-en-cours@lautorite.qc.ca

Information complémentaire

Pour de plus amples renseignements, on peut s'adresser à :

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Autorité des marchés financiers
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DTCC Data Repository (U.S.) LLC (« DDR ») – Demande de reconnaissance à titre de référentiel central

L'Autorité des marchés financiers (l'« Autorité ») publie la demande de reconnaissance à titre de référentiel central, déposée par DDR le 29 juillet 2014 en vertu de la *Loi sur les instruments dérivés*, L.R.Q., c. I-14.01. L'Autorité invite toutes les personnes intéressées à lui présenter leurs observations relativement à cette demande.

(Les textes sont reproduits ci-après.)

Commentaires

Les personnes intéressées à soumettre des commentaires peuvent en transmettre une copie, au plus tard le 2 septembre 2014, à :

Me Anne-Marie Beaudoin
Secrétaire de l'Autorité
Autorité des marchés financiers
800, square Victoria, 22e étage
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July 28, 2014

Sent By E-mail

Autorité des marchés financiers
 800 square Victoria, 22e étage
 C.P. 246, tour de la Bourse
 Montréal, Québec H4Z 1G3

Attention: Claude Gatien

Re: ICE Trade Vault, LLC
Application for Recognition as a Trade Repository in Québec

Dear Sir,

ICE Trade Vault, LLC (the "Applicant") hereby files this application with Autorité des Marchés Financiers (the "Authority") pursuant to sections 12 and 14 of the *Derivatives Act* to be recognized as a trade repository in the province.

For convenience, this application is divided into Parts I to III, Part II of which describes how the Applicant satisfies the Authority staff's criteria for recognition as a trade repository ("TR").

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PART I INTRODUCTION

- 1.1 The Applicant is a limited liability company organized under the laws of the State of Delaware in the United States and is a provisionally registered swap data repository (“SDR”) regulated by the Commodity Futures Trading Commission (“CFTC”). The Applicant has been accepting derivatives data for the commodity and credit asset classes in the United States since April 2013 and is in good standing with the CFTC.
- 1.2 The Applicant is a wholly owned subsidiary of Intercontinental Exchange Holdings, Inc. (“ICE”), which itself is owned by Intercontinental Exchange, Inc. (“ICE Inc.”). ICE Inc. is listed on the NYSE under the symbol “ICE”. ICE is a leading operator of regulated global markets and clearing houses, including futures exchanges, over-the-counter markets, derivatives clearing houses and post-trade services. ICE operates these global marketplaces for trading and clearing in a broad array of energy, environmental and agricultural commodities, credit default swaps, equity indices and currency contracts.
- 1.3 ICE has a subsidiary operating as a TR in Europe and is regulated by the European Securities and Markets Authority.
- 1.4 Subject to obtaining the necessary regulatory approvals, the Applicant is seeking to operate a trade repository in each province of Canada that will require the reporting of derivatives transactions (that are not excluded from the definition by reason of any other rule or order of the Authority) (“Derivatives transactions”) involving local counterparties. The Applicant currently anticipates (subject to the Authority designating the Applicant’s TR) that it will accept Derivatives transaction data for the commodity, credit and foreign exchange asset classes in the Province.

PART II APPLICATION OF APPROVAL CRITERIA TO THE APPLICANT

The following is a discussion of how the Applicant meets the Authority staff’s criteria for recognition as a TR. Text boxes in this Part II set out the applicable requirements in AMF Regulation 91-507 - Trade Repositories and Derivatives Data Reporting and Companion Policy 91-507CP - Trade Repositories and Derivatives Data Reporting (the “Applicable Provincial Rules and Policies”).

1. Legal Basis

1.1 Legal Framework

7. (1) A recognized trade repository must establish, implement, maintain and enforce



written rules, policies and procedures reasonably designed to ensure a wellfounded, clear, transparent, and enforceable legal basis for each material aspect of its activities.

(2) Without limiting the generality of subsection 1), a recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures that are not contrary to the public interest and that are reasonably designed to ensure that

- (a) such rules, policies and procedures and the contractual arrangements are supported by the laws applicable to those rules, policies, procedures and contractual arrangements,
- (b) the rights and obligations of a user, owner and regulator with respect to the use of the recognized trade repository's information are clear and transparent,
- (c) the contractual arrangements that it enters into and supporting documentation clearly state service levels, rights of access, protection of confidential information, intellectual property rights and operational reliability, and
- (d) the status of records of contracts in its repository.

17. (1) The rules, policies and procedures of a recognized trade repository must

- (a) provide sufficient information to enable a participant to have an accurate understanding of its rights and obligations in accessing the services of the recognized trade repository and the risks, fees, and other material costs they incur by using the services of the recognized trade repository,
- (b) be reasonably designed to govern all aspects of the services offered by the recognized trade repository with respect to the collection and maintenance of derivatives data and other information on a completed transaction, and
- (c) not be inconsistent with securities legislation.

(2) A recognized trade repository must monitor compliance with its rules, policies and procedures on an ongoing basis.

(3) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures for sanctioning non-compliance with its rules, policies and procedures.

(4) A recognized trade repository must publicly disclose on its website

- (a) its rules, policies and procedures referred to in this section, and
- (b) its procedures for adopting new rules, policies and procedures or amending existing rules, policies and procedures.

- 1.1.1 The Applicant maintains written policies, procedures and rules that will be posted on the Applicant's website upon recognition as a TR. These written policies, procedures and rules are designed to assist and inform validly enrolled participants ("Participants") about the TR service offered by the Applicant utilized for the collection, storage and regulatory reporting of derivatives



transaction data (“Trade Vault”). These written materials include: (i) the Applicant’s rulebook (the “Rulebook”) which sets out detailed rules and standards relating to Trade Vault; and (ii) a Service and Pricing Schedule. As further discussed in Section 2.4 of this application, the Applicant’s Chief Compliance Officer (“CCO”) and General Counsel (“GC”) are responsible for monitoring compliance with, and enforcing any violations of, the Rulebook and Applicable Law.¹

- 1.1.2 The Applicant maintains user agreements (“User Agreements”) for the two classes of users that utilize Trade Vault, namely (i) Participants and (ii) clearing agencies or trading venues that have a duly executed trusted sources agreement in effect with the Applicant (“Trusted Sources”). Participants and Trusted Sources are collectively referred to as “Reporting Entities”. The User Agreements set out the rights and obligations for Reporting Entities and requires that Reporting Entities utilize Trade Vault in accordance with Applicable Law. In addition, the Rulebook governs certain aspects of the Applicant’s relationship with Participants and Trusted Sources, including service levels, rights of access, protection of confidential information and operational reliability. As further discussed in Section 8.1 of this application, Reporting Entities will also be subject to certain fees, which will be described in a fee schedule to be posted on the Applicant’s website.
- 1.1.3 The Applicant maintains a number of internal policies and procedures designed to govern the Applicant’s operations, including: (i) governance standards and procedures; (ii) codes of conduct for directors, committee members and employees; (iii) policies for identifying and resolving conflicts of interest; (iv) qualification methodology; (v) security procedures; (vi) a business continuity plan; and (vii) a corporate information security policy. The Applicant has senior managers in charge of oversight of internal policies and procedures. “Senior Management”, from time to time, includes the president and the GC.
- 1.1.4 The Rulebook, User Agreements and internal policies and procedures may be amended from time to time. Amendments may occur as a result of changes in Applicable Law, developments in the derivatives industry or feedback from Reporting Entities. In general, Senior Management of the Applicant is responsible for approving amendments to the Rulebook, User Agreements and internal

¹ “Applicable Law” includes any and all laws and regulations governing or applicable to Trade Vault (including but not limited to applicable CFTC regulations and Applicable Provincial Rules and Policies) as amended from time to time, including the requirements of all applicable federal, provincial, and foreign governmental statute, law, ordinance, regulation, rule, directive, technical standard, code, guidance, published practice, judicial order or decision, concession, interpretation and protocol, as amended from time to time.



policies and procedures. Amendments may be subject to regulatory approval, if required by Applicable Law. ICE policies and procedures are amended by the senior management or the board of directors of ICE.

2. **Governance**

8. (1) A recognized trade repository must establish, implement and maintain written governance arrangements that

- (a) set out a clear organizational structure with consistent lines of responsibility,
- (b) provide for effective internal controls,
- (c) promote the safety and efficiency of the recognized trade repository,
- (d) ensure effective oversight of the recognized trade repository, and
- (e) support the stability of the broader financial system and other relevant public interest considerations.

(3) A recognized trade repository must publicly disclose on its website

- (a) the governance arrangements established in accordance with subsection (1),

2.1.1 The Applicant has established robust governance arrangements which provide clear and direct lines of responsibility and accountability. The Applicant is managed by a Board of Directors that is responsible for overseeing the operations of the Applicant. In addition, the Applicant has established an advisory committee which includes representatives from its various stakeholders. The discussion in Sections 2.2, 2.3, 2.4, 2.5 and 2.7 below provide additional details concerning the Applicant's governance arrangements. The Applicant's governance arrangements will be publicly available on the Applicant's website.

2.2 **Board of Directors**

9. (1) A recognized trade repository must have a board of directors.

(2) The board of directors of a recognized trade repository must include

- (a) individuals who have an appropriate level of skill and experience to effectively and efficiently oversee the management of its operations in accordance with all relevant laws, and
- (b) appropriate representation by individuals who are independent of the recognized trade repository.
- (...)



- 2.2.1 The Board of Directors plays an active and important role in the oversight of all risks relating to Trade Vault. The powers and authority of the Board of Directors include the ability to: (i) designate and authorize specific appointed officers to act on behalf of the Board of Directors; (ii) fix, determine and levy all TR fees, when necessary; (iii) prepare and amend the Rulebook; (iv) act in emergencies; (v) delegate any such power to the appropriate party; and (vi) direct that an investigation of any suspected Violation be conducted by the CCO and shall hear any matter referred to it by the CCO regarding a suspected Violation.
- 2.2.2 The Board of Directors has a minimum of three members. Because the Applicant is a wholly-owned subsidiary of ICE, ICE retains the sole right to appoint the members of the Board of Directors. The Applicant has two types of directors – public and non-public. The Applicant’s “Public directors” are “independent”, as that concept is defined in the *Commodity Exchange Act* (US) (“CEA”).² The Applicant’s “Non-public directors” are not independent. As a governance matter, the Applicant requires at least one of its directors to be a “Public director”.
- 2.2.3 ICE considers several factors in determining the composition of the Board of Directors, including whether directors, both individually and collectively, possess the required integrity, experience, judgment, commitment, skills and expertise to exercise their obligations of oversight and guidance over a TR. Members of the Board of Directors must have the following attributes:
- (a) sufficiently good reputation;
 - (b) requisite skills and expertise to fulfill their responsibilities in the management and governance of a TR;
 - (c) a clear understanding of such responsibilities; and
 - (d) the ability to exercise sound judgment regarding TR affairs.
- 2.2.4 The Applicant does not currently have any board committees or subcommittees.

2.3 Management

10. (1) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures that
- (a) specify the roles and responsibilities of management, and
 - (b) ensure that management has the experience, competencies, integrity as well as

² Please refer to the CFTC Release: 5652-09 dated April 27, 2009.



the skills necessary to discharge its roles and responsibilities.

(2) A recognized trade repository must notify the Authority no later than the 5th business day after appointing or replacing its chief compliance officer, chief executive officer or chief risk officer.

- 2.3.1 The Applicant has written policies and procedures which specify the roles and responsibilities of the Applicant's management team. Members of the Applicant's management team were identified and recruited for their particular position based upon their skills and expertise in the industry in which the Applicant operates, according to personnel qualifications required for their particular position, as set forth in the Applicant's internal policies and procedures. Their individual goals and performance are regularly assessed by their direct supervisor/manager as part of the Applicant's, as well as ICE's, performance management process. The Applicant does not currently have a chief risk officer because risk management functions are performed by the Applicant's CCO and GC.

2.4 Chief compliance officer

9. (3) The board of directors of a recognized trade repository must, in consultation with the chief compliance officer of the recognized trade repository, resolve conflicts of interest identified by the chief compliance officer.

(4) The board of directors of a recognized trade repository must meet with the chief compliance officer of the recognized trade repository on a regular basis.

11. (1) The board of directors of a recognized trade repository must appoint a chief compliance officer with the appropriate experience, competencies, integrity as well as the skills necessary to serve in that capacity.

(2) The chief compliance officer of a recognized trade repository must report directly to the board of directors of the recognized trade repository or, if so directed by the board of directors, to the chief executive officer of the recognized trade repository.

(3) The chief compliance officer of a recognized trade repository must

- (a) establish, implement, maintain and enforce written rules, policies and procedures to identify and resolve conflicts of interest,
- (b) establish, implement, maintain and enforce written rules, policies and procedures to ensure that the recognized trade repository complies with securities legislation,
- (c) monitor compliance with the rules, policies and procedures required under paragraphs a and b on an ongoing basis,
- (d) report to the board of directors of the recognized trade repository as soon as practicable upon becoming aware of a circumstance indicating that the recognized trade repository, or an individual acting on its behalf, is not in



compliance with the securities laws of a jurisdiction in which it operates and one or more of the following apply:

- (i) the non-compliance creates a risk of harm to a user;
 - (ii) the non-compliance creates a risk of harm to the capital markets;
 - (iii) the non-compliance is part of a pattern of non-compliance;
 - (iv) the non-compliance may have an impact on the ability of the recognized trade repository to carry on business as a trade repository in compliance with securities legislation,
 - (e) report to the recognized trade repository's board of directors as soon as practicable upon becoming aware of a conflict of interest that creates a risk of harm to a user or to the capital markets, and
 - (f) prepare and certify an annual report assessing compliance by the recognized trade repository, and individuals acting on its behalf, with securities legislation and submit the report to the board of directors
- (4) Concurrently with submitting a report under paragraph 3)d), 3)e) or 3)f), the chief compliance officer must file a copy of the report with the Authority.

2.4.1 The CCO of the Applicant is appointed by the Board of Directors, and reports directly to the President. The CCO also has direct communication with the Board of Directors. The Board of Directors shall meet with the CCO semi-annually, or more frequently if required to address any specific issues or concerns.

2.4.2 The CCO works directly with the Board of Directors in certain instances, for example, when resolving conflicts of interest. The CCO has supervisory authority over all staff acting at the direction of the CCO and his or her responsibilities include, but are not limited to:

- (a) preparing and signing a compliance report which shall be provided to the Board of Directors and the Authority at least annually and certify that Trade Vault are in compliance with Applicable Law;
- (b) in consultation with the GC, overseeing and reviewing the Applicant's compliance with Applicable Law;
- (c) in consultation with the GC, establishing and administering written policies and procedures reasonably designed to prevent violations of Applicable Law;
- (d) in consultation with the Board of Directors, resolving any conflicts of interest that may arise including (a) conflicts between business



considerations and compliance requirements; (b) conflicts between business considerations and the requirement that the Applicant provide fair and open access; and (c) conflicts between the Applicant's management and members of the Board of Directors;

- (e) establishing and implementing procedures for the remediation of non-compliance issues;
- (f) establishing procedures for the remediation of non-compliance issues identified by the CCO through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
- (g) in consultation with the GC, establishing and following appropriate procedures for the handling, management response, remediation, retesting, and closing of non-compliance issues; and
- (h) in consultation with the GC, establishing and administering a written code of ethics designed to prevent ethical violations and to promote honesty and ethical conduct.

2.4.3 The CCO has the authority to inspect the books and records of all Participants and Trusted Sources that are reasonably relevant to any investigation. The CCO also has the authority to require any Participant or Trusted Source to appear before him or her to answer questions regarding alleged Violations (as defined below). The CCO may also delegate such authority to employees of the Applicant, including officers, and such other individuals (who possess the requisite independence) as the Applicant may hire on a contract basis.

2.4.4 The CCO conducts investigations of possible violations of the Rulebook, Participant Agreement and Trusted Sources Agreement ("Violations") committed by Reporting Entities, prepares written reports with respect to such investigations, furnishes such reports to the Board of Directors and the Authority and conducts the prosecution of such Violations.

2.5 **Advisory Committee**

2.5.1 The Applicant has established an advisory committee which provides non-binding guidance to the Board of Directors with respect to Trade Vault (the "Advisory Committee").



2.6 Conflicts of interest

8 (2) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to identify and manage existing and potential conflicts of interest.

(3) A recognized trade repository must publicly disclose on its website

(b) the rules, policies and procedures established in accordance with subsection 2).

2.6.1 The Applicant, through its conflict of interest rules, policies and procedures, has established a robust set of safeguards designed to reasonably identify and manage existing and potential conflicts of interest arising from its operation or the services it provides. As discussed above, the CCO is primarily responsible for identifying and managing conflicts of interest. If a real or potential conflict of interest is identified, the CCO will work with the Board of Directors to resolve the matter. Rules relating to conflicts of interest will be maintained on the Applicant's website.

2.7 Communication with Reporting Entities

2.7.1 The Applicant considers effective communication with Reporting Entities to be an important part of its overall governance strategy. Participants will receive detailed system and user guides and regular updates from the Applicant concerning system enhancements, new products/data values and Participant enrollments. The Applicant also expects to convene Participant working groups from time to time, in particular during the implementation period(s) for Applicable Provincial Rules and Policies. If Reporting Entities have any feedback or questions, they will be able to contact the Applicant through a dedicated email inbox.

3. Comprehensive Risk Management Framework

19. A recognized trade repository must establish, implement and maintain a written risk-management framework for comprehensively managing risks including business, legal, and operational risks.

3.1 Introduction

3.1.1 The Applicant maintains a risk management framework for the management of business, legal and operational risk, which is described in the Applicant's Operational Risk Policy. All of the entities in the ICE Inc., including the Applicant, have adopted an approach to enterprise risk management with a goal of ensuring that each key risk is identified and properly managed. Risk tolerances



have been developed for consistency at both the subsidiary and group level, and the risk management framework operates both from a bottom-up perspective and on a top-down basis. The discussion in Sections 3.2, 3.3, 3.4 and 3.5 below provide additional details concerning the Applicant's risk management framework.

3.2 General business risk

20. (1) A recognized trade repository must establish, implement and maintain appropriate systems, controls and procedures to identify, monitor, and manage its general business risk.

(2) Without limiting the generality of subsection 1), a recognized trade repository must hold sufficient insurance coverage and liquid net assets funded by equity to cover potential general business losses in order that it can continue operations and services as a going concern in order to achieve a recovery or an orderly wind down if those losses materialize.

(3) For the purposes of subsection 2), a recognized trade repository must hold, at a minimum, liquid net assets funded by equity equal to 6 months of current operating expenses.

(4) A recognized trade repository must identify scenarios that may potentially prevent it from being able to provide its critical operations and services as a going concern and assess the effectiveness of a full range of options for an orderly wind-down.

(5) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to facilitate its orderly wind-down based on the results of the assessment required by subsection 4).

(6) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures to ensure that it or a successor entity, insolvency administrator or other legal representative, will continue to comply with the requirements of subsection 6(2) and section 37 in the event of the bankruptcy or insolvency of the recognized trade repository or the wind-down of the recognized trade repository's operations.

- 3.2.1 The Applicant maintains, and will continue to maintain in force, business liability coverage in the amount of US\$1 million for each claim and an aggregate of US\$25 million, to protect itself from a claim due to negligence on its part relating to Trade Vault. This amount of coverage is consistent with Applicant's assessment of its general business liability. The Applicant will provide, upon request by a Participant or Trusted Source, a certificate of insurance evidencing the insurance requirements have been satisfied and will provide Participants or Trusted Sources 30 days' advance notice of any cancellation or material reduction



in coverage. The Applicant will hold at a minimum, liquid net assets funded by equity equal to six months of current operating expenses.

- 3.2.2 The Applicant has: (i) identified scenarios that may prevent it from being able to provide critical operations, (ii) established and maintains rules, policies and procedures to facilitate an orderly wind-down and (iii) established and maintains rules, policies and procedures to ensure that successors comply with Applicable Provincial Rules and Policies in the event of the bankruptcy of the Applicant.

3.3 Operational Risk

System and other operational risk requirements

21. (1) A recognized trade repository must establish, implement, maintain and enforce appropriate systems, controls and procedures to identify and minimize the impact of all plausible sources of operational risk, both internal and external, including risks to data integrity, data security, business continuity and capacity and performance management.

(2) The systems, controls and procedures established pursuant to subsection 1) must be approved by the board of directors of the recognized trade repository.

(3) Without limiting the generality of subsection 1), a recognized trade repository must

(a) develop and maintain

(i) an adequate system of internal controls over its systems, and

(ii) adequate information technology general controls, including without limitation, controls relating to information systems operations, information security and integrity, change management, problem management, network support and system software support,

(b) in accordance with prudent business practice, on a reasonably frequent basis and, in any event, at least annually

(i) make reasonable current and future capacity estimates, and

(ii) conduct capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner, and

(c) promptly notify the Authority of a material systems failure, malfunction, delay or other disruptive incident, or a breach of data security, integrity or confidentiality, and provide a post-incident report that includes a root-cause analysis as soon as practicable.

(4) Without limiting the generality of subsection (1), a recognized trade repository must establish, implement, maintain and enforce business continuity plans, including disaster recovery plans reasonably designed to

(a) achieve prompt recovery of its operations following a disruption,



- (b) allow for the timely recovery of information, including derivatives data, in the event of a disruption, and
 - (c) provide for the exercise of authority in the event of an emergency.
- (5) A recognized trade repository must test its business continuity plans, including disaster recovery plans, at least annually.
- (6) For each of its systems for collecting and maintaining reports of derivatives data, a recognized trade repository must annually engage a qualified party to conduct an independent review and prepare a report in accordance with established audit standards to ensure that it is in compliance with paragraphs 3)a and b and subsections 4) and 5).
- (7) A recognized trade repository must provide the report prepared in accordance with subsection 6) to
- (a) its board of directors or audit committee promptly upon the completion of the report, and
 - (b) the Authority not later than the 30th day after providing the report to its board of directors or audit committee.
- (8) A recognized trade repository must publicly disclose on its website all technology requirements regarding interfacing with or accessing the services provided by the recognized trade repository,
- (a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and
 - (b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.
- (9) A recognized trade repository must make available testing facilities for interfacing with or accessing the services provided by the recognized trade repository,
- (a) if operations have not begun, sufficiently in advance of operations to allow a reasonable period for testing and system modification by participants, and
 - (b) if operations have begun, sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modification by participants.
- (10) A recognized trade repository must not begin operations in Québec unless it has complied with paragraphs 8)a and 9)a.
- (11) Paragraphs 8)b and 9)b do not apply to a recognized trade repository if
- (a) the change to its technology requirements must be made immediately to address a failure, malfunction or material delay of its systems or equipment,
 - (b) the recognized trade repository immediately notifies the Authority of its intention to make the change to its technology requirements, and
 - (c) the recognized trade repository publicly discloses on its website the changed



technology requirements as soon as practicable.

- 3.3.1 Trade Vault data is saved to a redundant, co-located production database and a remote disaster recovery database in near real-time. The Trade Vault database is backed up to tape daily with tapes moved offsite weekly.
- 3.3.2 The Applicant maintains robust policies and procedures to ensure system security, confidentiality and capacity. See sections 3.4.3 and 5.1 below for additional details. The Applicant's systems are tested regularly on a quarterly basis. Tests include functional testing, business cycle testing, user interface testing, performance testing and security and access control testing. The ICE quality assurance group bears the overall responsibility of ensuring that the system functions the way that it was intended and the requirements have been implemented as specified.
- 3.3.3 The Applicant maintains a robust emergency and business continuity and disaster recovery plan (the "BC-DR Plan") that prescribes the disaster recovery strategy. The BC-DR Plan is primarily managed by the ICE Director of Business Continuity and is executed by the ICE operations, configuration management and system engineering staff. The operations department maintains detailed procedures and other necessary documentation to implement disaster recovery steps such as: restoration of databases at the recovery site using the replicated transaction logs; system and network testing and verification; rerouting data traffic to the alternate site and making the system available to customers.
- 3.3.4 The BC-DR Plan allows for timely resumption of key business processes and operations following unplanned interruptions, unavailability of staff, inaccessibility of facilities, and disruption or disastrous loss to one or more of the Applicant's facilities or services. In accordance with the BC-DR Plan, all production system hardware and software is replicated in near real-time at an alternative location disaster recovery site that is operated by an alternative vendor to avoid any loss of data. The disaster recovery plan is tested quarterly and the business continuity plan is tested annually.
- 3.3.5 The Applicant maintains technical guides relating to interfacing with or accessing the services provided by Trade Vault. Testing facilities will be made available to Reporting Entities sufficiently in advance of beginning operations in the Province.
- 3.3.6 The Applicant also maintains systems and Security Procedures that ensure that Canadian Derivatives transaction data is not commingled with Derivatives transactions data reportable in other jurisdictions. Derivatives transaction data from different jurisdictions is physical separated at the database level.



3.4 Risk management framework for business, legal and operational risk

Data Security and Confidentiality

22. (1) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures reasonably designed to ensure the safety, privacy and confidentiality of the derivatives data.

(2) A recognized trade repository must not release derivatives data for commercial or business purposes unless

- (a) the derivatives data has otherwise been disclosed pursuant to section 39, or
- (b) the counterparties to the transaction have provided the recognized trade repository with their express written consent to use or release the derivatives data.

3.4.1 The Applicant recognizes its responsibility to ensure data confidentiality and dedicates significant resources to information security. The Applicant maintains a Corporate Security Policy that sets forth technical and procedural processes for information security and contains an extensive list of policies and means of implementation.

3.4.2 The Applicant uses a multi-tiered firewall scheme to provide network segmentation and access control to its services. Firewalls are deployed in redundant pairs and employ stateful inspection technology. The Applicant's application servers are housed in a demilitarized network zone behind external firewalls. A second set of internal firewalls further isolate the Applicant database systems, while an intrusion system provides added security to detect any threats and network sensors analyze all internet and private line traffic for malicious patterns.

3.4.3 Tactical controls are regularly examined and tested by multiple tiers of internal and external test groups, auditors and independently contracted third-party security testing firms. In addition, the security policy imposes an accountable and standard set of best practices to protect the confidentiality of Participants' sensitive data. ICE annually completes a SSAE 16 audit for adherence to the security policy. The SSAE 16 audit tests the following applicable controls, among others, to the Applicant systems: (i) logical access controls, (ii) logical access to databases, (iii) physical and environmental controls, (iv) backup procedures, and (v) change management.

3.4.4 The Applicant has rules in place which prohibit the use of, for commercial or business purposes, Derivatives transaction data accepted and maintained by Trade



Vault without the express written consent of the Participant submitting trade data. The Applicant's staff's access to Trade Vault data is strictly limited to those with the direct responsibility for supporting Participants, Trusted Sources and any regulator acting within the scope of its jurisdiction (a "Regulator"), and the Applicant's staff are prohibited from using Trade Vault data other than in the performance of their job responsibilities.

3.5 Outsourcing

24. If a recognized trade repository outsources a material service or system to a service provider, including to an associate or affiliate of the recognized trade repository, the recognized trade repository must
- (a) establish, implement, maintain and enforce written rules, policies and procedures for the selection of a service provider to which a material service or system may be outsourced and for the evaluation and approval of such an outsourcing arrangement,
 - (b) identify any conflicts of interest between the recognized trade repository and a service provider to which a material service or system is outsourced, and establish, implement, maintain and enforce written rules, policies and procedures to mitigate and manage those conflicts of interest,
 - (c) enter into a written contract with the service provider that is appropriate for the materiality and nature of the outsourced activity and that provides for adequate termination procedures,
 - (d) maintain access to the books and records of the service provider relating to the outsourced activity,
 - (e) ensure that the Authority has the same access to all data, information and systems maintained by the service provider on behalf of the recognized trade repository that it would have absent the outsourcing arrangement,
 - (f) ensure that all persons conducting audits or independent reviews of the recognized trade repository under this Regulation have appropriate access to all data, information and systems maintained by the service provider on behalf of the recognized trade repository that such persons would have absent the outsourcing arrangement,
 - (g) take appropriate measures to determine that a service provider to which a material service or system is outsourced establishes, maintains and periodically tests an appropriate business continuity plan, including a disaster recovery plan in accordance with the requirements under section 21,
 - (h) take appropriate measures to ensure that the service provider protects the safety, privacy and confidentiality of Derivatives data and of users' confidential information in accordance with the requirements under section 22, and
 - (i) establish, implement, maintain and enforce written rules, policies and



procedures to regularly review the performance of the service provider under the outsourcing arrangement.

- 3.5.1 The Applicant obtains from ICE, in accordance with Applicable Law, certain services relating to the operation of the Applicant's business. This outsourcing arrangement is consistent and in the same manner as all other regulated ICE entities and is documented in a written services agreement. This outsourcing arrangement allows ICE to leverage its resources and provide the highest level of support to its subsidiaries. The Applicant's agreement with ICE codifies this outsourcing relationship and outlines the services to be performed, service levels and changes and the fees to be charged. Services to be outsourced include legal, accounting, tax, IT services and human resources.
- 3.5.2 Additionally, the Applicant licenses software from ICE. ICE has developed certain proprietary software that is used in connection with providing electronic confirmation of over-the-counter bilateral trades. The software agreement with ICE codifies this licensing relationship and outlines the software and intellectual proprietary to be provided by ICE. The Applicant uses this software in connection with its business. This agreement allows the Applicant to leverage the resources of its parent that develops cutting edge and world class software for use in the derivatives markets. ICE provides the highest level of technology and support to its subsidiaries.

4. **Access and Participation Requirements**

4.1 **Access**

13. (1) A recognized trade repository must establish, implement, maintain and enforce written rules, policies and procedures that establish objective, risk-based criteria for participation that permit fair and open access to the services it provides.
- (2) A recognized trade repository must publicly disclose on its website the rules, policies and procedures referred to in subsection 1).
- (3) A recognized trade repository must not do any of the following:
- (a) unreasonably prohibit, condition or limit access by a person to the services offered by the recognized trade repository;
 - (b) permit unreasonable discrimination among the participants of the recognized trade repository;
 - (c) impose a burden on competition that is not reasonably necessary and appropriate;
 - (d) require the use or purchase of another service for a person to utilize the trade



reporting service offered by the recognized trade repository.

Fair, Open and Equal Access

- 4.1.1 The Applicant provides access to Trade Vault on a fair, open and equal basis. Access to, and usage of, Trade Vault is available to all market participants that validly engage in Derivatives transactions and does not require the use of any other ancillary service offered by the Applicant. The Applicant does not unreasonably prohibit, condition or limit access nor does it permit unreasonable discrimination among market participants. The Applicant's access standards are publicly disclosed in the Rulebook.
- 4.1.2 Access to Trade Vault is provided to parties that have a duly executed User Agreement in effect with the Applicant. When enrolling, the Reporting Entity must designate a master user ("Administrator"). The Administrator will create, permission and maintain all user IDs for their firm.
- 4.1.3 The enrollment process for Reporting Entities can be organized into two phases. Phase I focuses on enrollment and Phase II on system integration. It is important that the transition from Phase I to Phase II be managed in seamless manner for the Reporting Entity.

Revocation of Access

- 4.1.4 Prior to implementing a limitation or revocation of a Participant's or Trusted Source's access to Trade Vault or data maintained by the Applicant, the CCO shall review the basis for the limitation or revocation for compliance with Applicable Law and the Rulebook. The Rulebook contains procedures relating to a reinstatement, revocation or modification of such revocation or limitation. Revocation of a Reporting Entity's access is addressed in the Participant and Trusted Sources Agreements.
- 4.2 **Due Process**

16. For a decision made by a recognized trade repository that directly adversely affects a participant or an applicant that applies to become a participant, the recognized trade repository must ensure that

- (a) the participant or applicant is given an opportunity to be heard or make representations, and
- (b) it keeps records of, gives reasons for, and provides for reviews of its decisions, including, for each applicant or participant the reasons for granting, denying or limiting access.



Notice of Charge: Right to Hearing

- 4.2.1 The CCO has the power to initiate an investigation of any suspected Violation, conduct investigations of possible Violations, prepare written reports with respect to such investigations and undertake action in response to such Violations in accordance with the Rulebook. If the CCO (or another employee of the Applicant recognized for this purpose by the Applicant) concludes that a Violation may have occurred, he or she may:
- (a) in consultation with the GC, issue a warning letter to the Participant or Trusted Source informing it that there may have been a Violation and that such continued activity may result in further action by the Applicant; or
 - (b) in consultation with the GC, negotiate a written settlement agreement with the Participant or Trusted Source, whereby the Participant or Trusted Source, with or without admitting guilt, may agree to (i) a cease and desist order or a reprimand; (ii) a fine for each Violation plus the monetary value of any benefit received as a result of the Violation; and/or (iii) a suspension or a termination of Participant or Trusted Source status or other remedial action to address the Violation.
- 4.2.2 The CCO shall serve a notice of action (a “Notice”) on the Reporting Entity responsible for a Violation (the “Respondent”). Such Notice shall state: (i) the acts, practices or conduct of the Respondent that are considered to be a Violation; (ii) how such acts, practices or conduct constitute a Violation; (iii) that the Respondent is entitled, upon written request filed with the Applicant within twenty days of service of the Notice, to a formal hearing on the alleged Violation; (iv) that the failure of the Respondent to request a hearing within twenty days of service of the Notice, except for good cause shown, shall be deemed a waiver of its right to a hearing; (v) that the failure of the Respondent to file a written answer to the Notice with the CCO within twenty days of service of the Notice shall be deemed an admission of all of the acts, practices or conduct contained in the Notice; and (vi) that the failure of the Respondent to expressly deny a particular allegation contained in the Notice shall be deemed an admission of such act, practice or conduct.
- 4.2.3 Any hearing requested by Respondent shall be presented to a panel (the “Hearing Panel”). The Hearing Panel shall be comprised of three individuals: two members of ICE Senior Management and one independent member. The Hearing Panel shall be selected unanimously by the President of the Applicant and the CCO. No member of the Hearing Panel shall hear a matter in which that member, in the determination of the CCO, has a direct financial, personal or other interest in the matter under consideration. The hearing shall be conducted pursuant to rules and



procedures adopted by said Hearing Panel, which, in their judgment, are sufficient to give such Respondent an opportunity to fully and fairly present the Respondent's case.

4.3 **Acceptance of reporting**

14. A recognized trade repository must accept derivatives data from a participant for a transaction in a derivative of the asset class or classes set out in the recognized trade repository's recognition order.

- 4.3.1 The Applicant currently anticipates (subject to the Authority designating the Applicant's TR) that Trade Vault will accept Derivatives transaction data for the commodity, credit and foreign exchange asset classes.

5. **Communication policies, procedures and standards**

15. A recognized trade repository must use or accommodate relevant internationally accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of

- (a) the participants,
- (b) other trade repositories,
- (c) exchanges, clearing houses, alternative trading systems, and other marketplaces, and
- (d) other service providers.

- 5.1 The Applicant uses internationally accepted communication procedures and standards in order to facilitate the efficient exchange of Derivative transaction data with Participants, Trusted Sources and Regulators. The Applicant does not exchange data between its systems and other trade repositories. Access to Trade Vault is available through a web-based front-end that requires a Participant's systems to: (a) satisfy the Applicant minimum computing system and web browser requirements, and (b) support HTTP 1.1 and 128-bit or stronger SSL data encryption. The Applicant also provides system access via an Application Program Interface ("API"). The API provides Participants with automated and scalable access solution.

6. **Disclosure of Market Data by TRs**

6.1 **Data available to regulators**

37. (1) A recognized trade repository must, at no cost



- (a) provide to the Authority direct, continuous and timely electronic access to such data in the recognized trade repository's possession as is required by the Authority in order to carry out the Authority's mandate,
 - (b) create and make available to the Authority aggregate data derived from data in the recognized trade repository's possession as required by the Authority in order to carry out the Authority's mandate, and
 - (c) disclose to the Authority the manner in which the derivatives data provided under paragraph c has been aggregated.
- (2) A recognized trade repository must conform to internationally accepted regulatory access standards applicable to trade repositories.
- (3) A reporting counterparty must use its best efforts to provide the Authority with access to all derivatives data that it is required to report pursuant to this Regulation, including instructing a trade repository to provide the Authority with access to such data.

- 6.1.1 The Applicant conforms to internationally accepted regulatory access standards applicable to TRs, including, but not limited to, the access standards set by the Authority. The Applicant will provide the Authority with direct, continuous and timely electronic access to data maintained by Trade Vault in respect of trades reported by Reporting Entities pursuant to the requirements of Applicable Provincial Rules and Policies, as is required by the Authority in order to carry out the Authority's mandate. Aggregate Derivatives transaction data, as required by the Authority, will also be made available to the Authority. Any Regulator requiring or requesting access to Trade Vault (for example, a securities regulator in another province of Canada) should contact the CCO (via email: TradeVaultChiefComplianceOfficer@theice.com) to request access and the necessary documentation and certify that it is acting within the scope of its jurisdiction.
- 6.1.2 The Applicant shall provide access to the requested Derivative transaction data as permitted by and consistent with Applicable Law. Such access may include, where applicable, proper tools for the monitoring, screening and analyzing of Derivative transaction data, including, but not limited to, web-based services and services that provide downloadable data to Regulators. The Authority shall have access to TR Information as permitted by Applicable Law and as required under Applicable Provincial Rules and Policies. In addition, as a result of the Applicant being registered as an SDR in the United States, the CFTC has access to TR Information as required under applicable CFTC regulations including the CEA.
- 6.2 **Data available to counterparties**

38. (1) A recognized trade repository must provide counterparties to a transaction with



timely access to all derivatives data relevant to that transaction which is submitted to the recognized trade repository.

(2) A recognized trade repository must have appropriate verification and authorization procedures in place to deal with access pursuant to subsection 1) by non-reporting counterparties or a party acting on behalf of a non-reporting counterparty.

(3) Each counterparty to a transaction is deemed to have consented to the release of all derivatives data required to be reported or disclosed under this Rule.

(4) Subsection 3) applies despite any agreement to the contrary between the counterparties to a transaction.

- 6.2.1 Access to the Applicant is strictly limited to Participants and Trusted Sources with valid permissions and security access. Participants and Trusted Sources shall only have access to their own data and data that the Applicant is required to make publicly available under Applicable Provincial Rules and Policies (“Public Data”).

6.3 Data available to public

39. (1) A recognized trade repository must, on a periodic basis, create and make available to the public, at no cost, aggregate data on open positions, volume, number and price, relating to the transactions reported to it pursuant to this Rule.

(2) The periodic aggregate data made available to the public pursuant to subsection 1) must be complemented at a minimum by breakdowns, where applicable, by currency of denomination, geographic location of reference entity or asset, asset class, contract type, maturity and whether the transaction is cleared.

(3) A recognized trade repository must make transaction level reports of the data indicated in the column entitled "Required for Public Dissemination" in Appendix A for each transaction reported pursuant to this Regulation available to the public at no cost not later than

(a) the end of the day following the day on which it receives the data from the reporting counterparty to the transaction, if one of the counterparties to the transaction is a derivatives dealer, or

(b) the end of the second day following the day on which it receives the data from the reporting counterparty to the transaction in all other circumstances.

(4) In disclosing transaction level reports required by subsection 3), a recognized trade repository must not disclose the identity of either counterparty to the transaction.

(5) A recognized trade repository must make the data required to be made available to the public under this section available in a usable form through a publicly accessible website or other publicly accessible technology or medium.

(6) Despite subsections 1) to 5), a recognized trade repository is not required to make



public any derivatives data for transactions entered into between affiliated legal persons.

- 6.4 Public users will have the ability to access the Applicant's website and view Public Data at no cost in accordance with Applicable Law at www.icetradevault.com.

7. **Recordkeeping and Confirmation of Data**

7.1 **Records of Data Reporting**

18. (1) A recognized trade repository must design its recordkeeping procedures to ensure that it records derivatives data accurately, completely and on a timely basis.

(2) A recognized trade repository must keep, in a safe location and in a durable form, records of derivatives data in relation to a transaction for the life of the transaction and for a further 7 years after the date on which the transaction expires or terminates.

(3) Throughout the period described in subsection 2), a recognized trade repository must create and maintain at least one copy of each record of derivatives data required to be kept under subsection 2), in a safe location and in a durable form, separate from the location of the original record.

- 7.1.1 Participants' and, Trusted Sources' individual Derivative transaction data records remain available to these parties and Regulators at no charge for online access through Trade Vault from the date of submission until seven years after the date on which the Derivative transaction expires or terminates. During this time period, Trade Vault data will provide to the Authority direct, continuous and timely electronic access to such data in Trade Vault as is required by the Authority in order to carry out its mandate. After the initial seven year period, Participants' and Trusted Sources' Derivative transaction data will be stored off-line and remain available to these parties and Regulators, upon a three-day advance request to the Applicant, until ten years from the last date on which the Derivative transaction expired or terminated.

- 7.1.2 In accordance with the Applicant's Business Continuity and Disaster Recovery Plan, Trade Vault data is saved to a redundant, local database and a remote disaster recovery database in near real-time. Trade Vault database is backed-up to tape daily with tapes moved offsite weekly.

7.2 **Confirmation of Data and Information**

23. (1) A recognized trade repository must establish, implement, maintain and enforce written Regulations, policies and procedures to confirm with each counterparty to a transaction, or agent acting on behalf of such counterparty, that the derivatives data that



the recognized trade repository receives from a reporting counterparty, or from a party to whom a reporting counterparty has delegated its reporting obligation under this Regulation, is accurate.

(2) Despite subsection 1), a recognized trade repository need only confirm the accuracy of the derivatives data it receives with those counterparties that are participants of the recognized trade repository.

- 7.2.1 The Applicant reasonably relies on the accuracy of Derivatives transaction data submitted from Trusted Sources where: (i) the Trusted Source has executed an ICE Trade Vault Trusted Sources Agreement; and (ii) the data submitted by the Trusted Source indicates that both counterparties agreed to the data. All Trusted Sources connecting to the Applicant must complete a conformance test to validate data submission integrity prior to the Applicant's acceptance of actual Derivatives data and must immediately inform the Applicant of any system or technical issues that may affect the accuracy of Derivatives data transmissions.
- 7.2.2 In accordance with Applicable Provincial Rules and Policies, Trade Vault shall confirm with the other party to a transaction, provided such party is a Participant or Trusted Source, the Derivative transaction data that Trade Vault has received from a Reporting Entity. The Applicant will have fulfilled its obligation under Applicable Provincial Rules and Policies by providing notice to each counterparty that is a Participant that a report has been made naming such entity as a counterparty and providing the means to access the report. If Trade Vault does not receive a response from the Non-Reporting Counterparty within two business days, the data is deemed confirmed. Trade Vault shall have no obligation to obtain confirmation of Derivative transaction data from a counterparty who is not a Participant
- 7.2.3 The Applicant has policies and procedures in place to ensure that the production environment in which the recording process of Trade Vault operates does not invalidate or modify the terms of a valid Derivative transaction. These controls are regularly audited and prevent any unauthorized, unsolicited changes to Derivative transaction data submitted to the Applicant through system-wide protections related to the processing of data associated with Trade Vault.

8. **Fees**

12. All fees and other material costs imposed by a recognized trade repository on its participants must be

- (a) fairly and equitably allocated among participants, and
- (b) publicly disclosed on its website for each service it offers with respect to the



collection and maintenance of derivatives data.

- 8.1 Any fees or charges imposed by the Applicant in connection with Trade Vault and any other supplemental or ancillary services are equitable and established in a uniform and non-discriminatory manner. The Applicant's fees and charges are designed not to have the effect of creating an artificial barrier to access to Trade Vault. The Applicant does not offer preferential pricing arrangements for Trade Vault to any market participant on any basis, including volume discounts or reductions unless such discounts or reductions apply to all market participants uniformly and are not otherwise established in a manner that would effectively limit the application of such discount or reduction to a select number of market participants. As noted in Section 2.2.1 above, the Applicant's Senior Management has the power and authority to fix, determine and levy all TR fees. The Applicant's fee schedule for Reporting Entities will be publicly available on the Applicant's website.

PART III OTHER MATTERS

1. Submissions

- 1.1 The Applicant satisfies all the criteria for recognition as a TR, as described under Part II of this application. Québec market participants that engage in Derivative transactions would benefit from the ability to report trades to the Applicant's TR, given the Applicant's user-friendly and advanced trade reporting tools and industry experience, particularly in relation to commodity Derivatives. Stringent oversight of the Applicant's TR as well as the sophisticated information systems, regulations and compliance functions that have been adopted by the Applicant will ensure that Québec users of the Applicant's TR are adequately protected in accordance with Applicable Law and consistent with international standards.
- 1.2 Based on the foregoing it would not be prejudicial to the public interest to recognize the Applicant as a TR in Québec.



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2. **Enclosures**

- 2.1 In support of this application, under separate cover, the Applicant delivered to the Authority a completed Form 91-507F1 – Information Statement and exhibits thereto, a completed Form 91-507F2 – Submission to Jurisdiction and financial statements of the Applicant. We have requested confidential treatment of such materials.

If you have any questions or require anything further, please do not hesitate to contact us.

Yours very truly,

A handwritten signature in black ink that reads "Bruce A. Tupper".

Bruce Tupper

BT:

cc: Kara Dutta, *ICE Trade Vault, LLC*
Jake Sadikman, Blair Wiley and Patrick Lupa, *Osler, Hoskin & Harcourt LLP*

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July 28, 2014

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Blair Wiley
 Direct Dial: 416.862.5989
 bwiley@osler.com
 Our Matter Number: 1152820

PRIVILEGED & CONFIDENTIAL

SENT BY ELECTRONIC MAIL

Autorité des marchés financiers
 800 square Victoria, 22e étage
 C.P. 246, tour de la Bourse
 Montréal, Québec H4Z 1G3

Attention: Claude Gatien

Dear Sir:

ICE Trade Vault, LLC – Application for Exemptive Relief from Requirement to Submit Audited Entity-Level Financial Statements

We act as Canadian legal counsel to ICE Trade Vault, LLC (the “Applicant”) and are filing this application with the Autorité des Marchés Financiers (the “Authority”) on its behalf. In connection with its application to the Authority for recognition as a trade repository in the Province, the Applicant is applying pursuant to section 86 of the *Derivatives Act* (the “Act”) for exemptive relief (the “Requested Relief”) from the requirement to file audited entity-level financial statements (i) upon application for recognition as a trade repository, pursuant to subsection 4(1) of *Regulation 91-507 Respecting Trade Repositories and Derivatives Data Reporting* (the “TR Rule”), and (ii) on an ongoing basis, pursuant to subsection 5(1) of the TR Rule.

1. Facts

The Applicant is a limited liability company organized under the laws of the State of Delaware in the United States that is applying to be recognized as a trade repository in the Province of Quebec. The Applicant is also a provisionally registered swap data repository (“SDR”) regulated by the Commodity Futures Trading Commission (“CFTC”).

The Applicant is a wholly owned subsidiary of Intercontinental Exchange Holdings, Inc. (“ICE Holdings”), which itself is owned by Intercontinental Exchange, Inc. (“ICE”), a public company listed on the New York Stock Exchange. ICE is a leading operator of regulated global markets and clearing houses, including futures exchanges, over-the-counter markets, derivatives clearing houses and post-trade services.

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The Applicant currently does not prepare audited entity-level financial statements. Instead, the Application prepares unaudited entity-level financial statements which form part of ICE's audited consolidated financial statements.

ICE has implemented controls and procedures to ensure the accuracy of its affiliates financial statements including those of the Applicant. As part of the controls and procedures, financial statements for all ICE affiliates are reviewed by senior management and are supported by account reconciliations and journal entries that go through a company-wide review and approval process. Month-end review by senior management includes a review of financial statements for each reporting segment, eliminating entries, budget to actual comparisons and consolidated financials. Various system and access controls are in place to prevent any possible data manipulations or unintentional errors in the relevant financial systems. As a part of the SOX 404 certification process, controls around all significant transaction classes are tested annually by the Internal Audit Department of ICE.

In addition, ICE performs periodic internal audits of the Applicant's books and records to ensure adequate capitalization, adequate financial controls and that significant liabilities have not been overlooked or omitted at the entity-level.

2. Submissions

The Applicant is seeking the Requested Relief on the following grounds:

1. The Applicant does not currently audit its financial statements and is not required to do so in connection with its operation as a CFTC regulated SDR.
2. The cost associated of completing ongoing audits of the Applicant financial statements would be substantial.
3. As a result of the Applicant's unaudited entity-level financial statements forming part of ICE's audited consolidated financial statements, ICE has implemented controls and procedures to ensure the accuracy of the Applications financial statements.
4. ICE performs periodic internal audits of the Applicant's books and records to ensure adequate capitalization, adequate financial controls and that significant liabilities have not been overlooked or omitted at the entity-level.
5. The regulatory objectives of subsections 4(1) and 5(1) of the TR Rule would be fulfilled by permitting the Applicant to file (i) unaudited entity-level financial statements; and (ii) ICE's consolidated audited financial statements.

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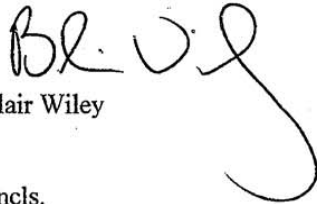
3. Requested Decision Document

We hereby request that the terms and conditions attached to the Applicant's recognition order as a trade repository include the Requested Relief.

In support of this application, we are enclosing a verification statement from the Applicant confirming our authority to prepare and file this application and confirming the truth of the facts contained herein.

If you have any questions or require anything further, please do not hesitate to contact Blair Wiley (416-862-5989 or bwiley@osler.com).

Yours very truly,



Blair Wiley

Encls.

cc: Bruce Tupper and Kara Dutta, *Ice Trade Vault, LLC*
Jake Sadikman and Patrick Lupa, *Osler, Hoskin & Harcourt LLP*

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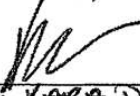
VERIFICATION STATEMENT

The undersigned hereby authorizes Osler, Hoskin & Harcourt LLP to make and file the attached exemptive relief application and confirms the truth of the facts contained in it.

DATED the 21st day of July, 2014

ICE TRADE VAULT, LLC

By:


Name: KARAN DUTT
Title: General Counsel



55 Water Street
New York, NY 10041
212-855-2670
mcollazo@dtcc.com

July 29, 2014,

Direction de l'encadrement des dérivés
Autorité des Marchés Financiers
800 Square Victoria, 22e étage, C.P. 246
Tour de la Bourse, Montréal, Qc, H4Z 1G3
Attn: Claude Gatien
Via Email: claude.gatien@lautorite.qc.ca

[Application to become recognized as a Trade Repository](#)

Dear Sir,

DTCC Data Repository (U.S.) LLC ("DDR") is pleased with the opportunity to seek recognition as a Trade Repository ("TR") pursuant to sections 12 and 14 of the Quebec Derivatives Act, filed with the Autorité des marchés financiers (Autorité) in accordance with Autorité Regulation 91-507 Respecting Trade Repositories and Derivatives Data Reporting (the "TR Rule").

DDR's application attached hereto is being made solely for the purpose of facilitating compliance with the regulatory requirements prescribed by QDA and the TR Rule. Therefore, DDR is submitting to the regulatory oversight of the Autorité for the limited purpose of being recognized as providing the services of a trade repository to market participants and does not have offices or maintain a physical presence in Québec. As a TR, DDR acknowledges that it will be a "recognized regulated entity" as defined in the QDA, subject to the requirements of QDA applicable thereto and to AMF Regulation 91-507.

Yours sincerely,

Marisol Collazo
Chief Executive Officer
DTCC Data Repository (U.S.) LLC

cc: Derek West Derek.West@lautorite.qc.ca
Francis Coche francis.coche@lautorite.qc.ca
Fleury Elodie elodie.fleury@lautorite.qc.ca

DDR Québec TR Application Letter
July 29, 2014

DTCC Data Repository (U.S.) LLC (“DDR” or the “Applicant”), a company incorporated in the State of New York and domiciled and operating in the United States of America, is hereby filing an application with the Autorité des marchés financiers (the “Autorité”) to be recognized as a trade repository in the province of Quebec in accordance with Regulation 91-507 *Respecting Trade Repositories and Derivatives Data Reporting* (the “TR Rule”) and the Policy Statement to Regulation 91-507 (the “TR PS” and, together with the TR Rule, the “TR Rules”). This application is made to facilitate the use of DDR’s services in the United States by parties within and outside of Canada to satisfy their reporting obligations under the TR Rules.

In connection with this application and consistent with DDR’s operations and services for customers, all of the relevant trade repository documentation, communication and services offered to entities with trade reporting obligations under the TR Rule, whether verbal, written or electronic (including information published on the DTCC website), shall be in English only.

This letter provides an explanation of why the Applicant should be so recognized and how it will comply with the TR Rules in all material respects. In accordance with section 86 of the Quebec Derivatives Act (“QDA”) DDR has set out in Appendix A a request for exemptions from compliance with sections of the TR Rule.

History

DDR is organized as a limited liability company under the laws of the state of New York. DDR is a wholly owned subsidiary of DTCC Deriv/SERV LLC. DTCC Deriv/SERV LLC is a wholly owned subsidiary of DTCC, which is the ultimate parent of DDR.

DTCC through its subsidiaries operates companies that provide derivatives trade reporting in many jurisdictions globally. These companies and the countries in which they are incorporated and the jurisdictions they serve are listed below:

Entity	Location	Jurisdictions where recognized or licensed as a trade repository
DTCC Data Repository (U.S.) LLC (“DDR”)	United States	United States
DTCC Derivatives Repository Ltd. (“DDRL”)	United Kingdom	EU and Australia
DTCC Data Repository (Japan) KK, (“DDR”)	Japan	Japan
DTCC Data Repository (Singapore) Pte Ltd	Singapore	Singapore

In 2006, The Depository Trust & Clearing Corporation (“DTCC”), the ultimate parent of the Applicant, formed a subsidiary, DTCC Deriv/SERV LLC (“Deriv/SERV”) to provide services to the OTC credit derivatives market. Those services evolved over time and resulted in the creation of the Trade Information Warehouse (“TIW”) offered by Deriv/SERV’s subsidiary, The Warehouse Trust Company LLC. .

In 2009, the G20 leaders – in response to the global financial crisis – agreed on a number of principles to govern the derivatives markets. Among these was the requirement that derivatives contracts should be reported to trade repositories. DTCC has been at the forefront of the

DDR Québec TR Application Letter
July 29, 2014

development of trade repositories, building global capabilities across the spectrum of asset classes. In response to industry commitments made in 2011, DTCC began to offer regulatory reporting for credit default swap transactions which were voluntarily submitted to TIW to the world's regulators pursuant to guidelines established by the OTC Derivatives Regulators Forum ("ODRF"). ODRF reporting was eventually expanded to include information related to interest rate and equity derivatives.

In addition to the reporting currently provided to regulators pursuant to the ODRF guidelines, the various trade repositories that comprise DTCC's Global Trade Repository ("GTR") services span three continents, enabling users to meet their regulatory reporting obligations in an open, cost effective and efficient manner. A user of DDR's services who has signed a customer agreement is referred to as a "User" in DDRS documentation and hereinafter. DTCC's GTR services were selected as the industry's preferred provider of trade repository services after industry competitions held by the International Swaps and Derivatives Association ("ISDA") and Global Financial Markets Association ("GFMA"). DTCC's GTR services are focused on working with the industry, regulators and DTCC counterparts to create capabilities that leverage data in order to mitigate risk, enhance transparency and drive down costs in financial markets globally. DTCC offers these services through various companies incorporated in various countries. In the United States, these services are offered by DDR, which is a subsidiary of Deriv/SERV.

Description of DDR's Current Business

DDR is provisionally registered with the Commodity Futures Trading Commission ("CFTC") as a swap data repository ("SDR"). To date the CFTC has not established any standards for granting permanent registration of SDRs. DDR's SDR services deliver to market participants a robust, automated regulatory reporting solution for cleared and uncleared OTC derivatives reporting.

DDR is dedicated to bringing greater transparency, and resultant risk mitigation, along with cost efficiency, to the portion of the global OTC derivatives market that it serves. DDR's current services center on helping regulators attain a comprehensive view of the U.S. OTC derivatives market and providing market participants an effective solution for their U.S. trade reporting and regulatory requirement needs on a fair, open and equal basis.

DDR's services provide regulators with the ability to monitor in a seamless and centralized fashion certain detailed transaction data needed to fulfill their regulatory mission to safeguard the financial system. DDR's services are designed to allow market participants to meet their reporting obligations under the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Pub.L. 111-203, H.R. 4173) (the "Dodd-Frank Act").

Upon recognition as a Trade Repository in Quebec DDR will provide a service to enable market participants to satisfy their reporting obligations in Quebec.

DDR has been granted provisional registration by the CFTC to operate as an SDR in the U.S. for five asset classes. DDR received its provisional registration from the CFTC to operate as an SDR for the credit, interest rates, equities and foreign exchange (FX) derivatives on September 19, 2012. The CFTC approved an amendment to DDR's provisional registration to add commodity derivatives on December 3, 2012.

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The provisional approval allows DDR to operate as a registered SDR. Under CFTC rules, the process of reporting trades in credit and interest rate derivatives to an SDR began on October 12, 2012. Trades in all other derivatives classes started to be reported in February 2013.

Designed with scalability and flexibility in mind, the SDR services offered by DDR allow for industry compliance with current Dodd-Frank Act reporting obligations and future regulatory initiatives as well. Each asset class can be independently aggregated to provide regulators a clearer and more complete snapshot of the market's overall risk exposure.

DDR allows Users to submit trades to DDR and fulfill their regulatory reporting obligations under the Dodd-Frank Act in a cost-effective manner. An additional benefit is the ability to utilize several connectivity choices when interfacing with the SDR system, including:

- Web-based, csv. upload – usually preferred for small volume Users
- Webservices – geared for automation and higher volume Users
- FTP and sFTP – batch file processing for higher volume Users
- MQ (Message Queue) – FpML submissions – real-time solution for large volume Users
- SWIFT Network – geared for automation and higher volume Users
- Trade submissions can be accepted directly from firms or through a third-party services provider. Several formats are supported, including FpML, CpML and CSV.

To align with current CFTC regulations, DDR supports the submission of Primary Economic Terms (“PET”) and valuation data. DDR also provides a mechanism for real-time price reporting. The CFTC regulations can be found at: <http://www.cftc.gov/index.htm>.

The SDR services provide open access to third-party providers to promote efficient reporting processes – including access to:

- Swap Execution Facilities
- Designated Contract Markets
- Derivatives Clearing Organizations
- Confirmation Providers
- Middleware Providers

The provisions of the DDR Rules do not govern, and will not preclude DDR from offering, services other than SDR Services (“Other Services”), which may include services ancillary to SDR Services, to Users and other persons, to the extent permitted by Applicable Law.

DDR's Proposed Trade Reporting Services in Quebec

DDR proposes to make available from the United States trade reporting services analogous to those described above tailored to the requirements of the TR Rules and the needs of its Users and the Autorité. DDR will utilize its existing United States legal and technological infrastructure including message specification, connectivity and access protocols adjusted accordingly to provide trade reporting services to satisfy the needs of Users who need to report their trades to the Autorité.

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Description of CFTC Regulatory Regime

As an SDR, DDR is subject to the requirements of Part 49 of the CFTC's regulations, which incorporate other regulatory provisions by reference, including Parts 43, 45, 46 and 50 of the CFTC's regulations. Additionally, provisions regarding SDRs contained in the Dodd-Frank Act, which amended the Commodity Exchange Act (the "CEA"), are applicable. A description of the applicable requirements imposed by each of these parts of the CFTC's regulations is set out below.

The regulations related to DDR's operations as an SDR are covered under Part 49 of the CFTC's regulations. The duties and obligations of an SDR enumerated in Part 49 include specific requirements related to: (i) acceptance of data; (ii) confirmation of data accuracy; (iii) recordkeeping requirements; (iv) monitoring, screening and analysis of swap data as required, including analysis of the utilization of end-user exception claims made to the mandatory clearing requirement; (v) the privacy, confidentiality and utilization of swap data, including use by the SDR staff, third-party service providers and U.S. and non-U.S. regulators, as well as the restriction on an SDR commercializing data which it receives; (vi) governance arrangements to facilitate appropriate representation of interests and transparency about an SDR's governance process and key decisions impacting market participants and the public; (vii) the requirement to avoid adopting any rule or other actions that may result in an unreasonable restraint of trade or imposes any material anticompetitive burdens on the trading, clearing or reporting of swaps; (viii) the management of conflicts of interest; (ix) the designation and duties of a chief compliance officer; (x) policies and procedures for the exercise of emergency authority; (xi) the implementation of system safeguards, including a risk framework, risk analysis, business continuity and disaster recovery program; (xii) the maintenance and reporting of the financial resources retained by an SDR to provide for its ongoing operation; and (xiii) provisions related to access to DDR services and fees charged, as well as disclosure of risks to potential Users.

The provisions of other parts of the CFTC's regulations provide additional clarity and supplement the requirements that are generally imposed upon SDRs under Part 49. Part 43 details the real-time public dissemination requirements of swap data reported to an SDR, including the content, timing and method of dissemination by the SDR. Part 45 details the information that reporting parties are required to provide and which an SDR is required to accept in order to provide the CFTC with the PET of each swap in a uniform and consistent manner. This Part also provides for the ongoing updating of PET data due to changes in the market (*e.g.*, valuations) or the terms of the individual swap (*e.g.*, lifecycle events, terminations, and assignments). Part 46 provides details regarding the reporting of swaps to the SDR which were entered into after the enactment of the Dodd-Frank Act but prior to the CFTC's regulations which imposed the reporting obligation under Part 45 (historical swap reporting). Finally, the relevant provisions of Part 50 describe the information that must be provided to an SDR in order support the exceptions and exemptions that have been granted to end-users to the mandatory clearing requirement.

Description of Quebec provincial regulation

DDR, through its application for recognition by the Autorité, will agree to be bound by the requirements of the TR Rule with the exception of any requirements it has been exempted from complying with under section 86 of the QDA by the Autorité and will submit to the jurisdiction of the courts of Quebec in connection therewith.

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The TR Rules outline the requirements that an applicant must fulfill before it can be recognized as a trade repository in Quebec. The relevant sections of the TR Rule and DDR's responses are referenced below.

S.7 LEGAL FRAMEWORKⁱ

DDR has established implemented, maintained, and enforced rules, policies and procedures that are transparent and promote the interests of its Users, regulators and the public. These rules, policies and procedures operate to facilitate the secure and efficient operation of the trade repository. Policies and procedures are described in detail in the DDR Rulebook and Operating Procedures.ⁱⁱ The DDR Rulebook (which is publicly available) prescribes rules concerning how the trade repository operates with respect to all relevant parties such as Users, regulators and the public. User Agreements, Service Agreements, Confidentiality Agreements and myriad manuals, policies and procedures support the operation of the trade repository and clearly outline the rights and obligations of all of the relevant parties that utilize the services of the trade repository. The Rulebook and Operating Procedures establish rights of access to data (dependent upon the party) and the confidentiality of all data maintained by DDR. The Rulebook and Operating Procedures are governed by New York laws. If DDR is approved to act as a trade repository in non-U.S. jurisdictions, the Rulebook and Operating Procedures will be amended as appropriate. The Rulebook and Operation Procedures as modified for reporting in Canada will be published by DDR upon receipt of its recognition.

Transaction records in the trade repository serve regulatory reporting requirements and are not meant to represent the legally binding contract between the counterparties to the transaction

S.8 GOVERNANCEⁱⁱⁱ

DDR is governed by its Board of Directors (the "Board"). The permitted number of Directors on the Board is between 7 and 30 with the actual number set from time to time by Board Resolution. Board governance documents are well defined and transparent, and set out a clear organizational structure with consistent lines of responsibility, provide for effective internal controls, and promote the safety and efficiency of the recognized trade repository. For a current list of the members of the DDR Board and access to the publicly accessible governance document that outlines DDR governance arrangements please refer to the following website:
<http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

Board members include representatives of financial institutions who are also Users of the DDR's services, buy-side representatives, and DTCC management. The DTCC Governance Committee periodically reviews the composition of the DDR Board to assure that the level of representation of Directors from Users, management and non-users is appropriate for the interests of these constituencies in DDR. This review is a proactive measure designed to serve the dual purposes of balancing the interests of relevant stakeholders and supporting the stability of the broader financial system in conjunction with other relevant public interest considerations.

The Board reserves the right to establish committees as necessary and appropriate to manage its operations and provide strategic guidance.

The Board of the DDR has established an Audit Committee to assist the Board in overseeing: (i) the integrity of DDR's financial statements and financial reporting; (ii) the overall effectiveness of

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DDR's control environment; (iii) the effectiveness of DDR's process for monitoring compliance with applicable laws, regulations and the code of ethics; (iv) the performance and coverage of the internal audit function; (v) the external auditor's independence, performance and coverage; (vi) legal, compliance and regulatory risks; and (vii) oversight of risk management.

S.9 BOARD OF DIRECTORS ^{iv}

Mission of the Board of Directors

The Board of DDR is responsible for providing direction to and overseeing the conduct of the affairs of DDR in the interests of the company, its shareholder and other stakeholders including entities in the financial markets which the company serves and the governmental and supervisory authorities responsible for regulating those markets.

The Board will discharge its oversight responsibilities and exercise its authority in a manner consistent with applicable legal and regulatory provisions and with regulatory expectations of the role of DDR in the infrastructure for those markets, that:

- Promotes the safe, sound and efficient operation of DDR, including activities related to swap data repository services, including trade recordkeeping, and public and regulatory reporting;
- Seeks to develop the services and businesses of DDR in a manner promoting further safety, soundness and efficiency broadly in its activities; and
- Leverages DDR's role as a leader in financial services with respect to risk management, promoting sound practices in governance and in transparency to its user community and in its role in the financial market infrastructure supporting the operation of orderly and efficient markets.

DDR shall, consider a director of DDR to be independent as long as such director has an "independent perspective" as per CFTC regulations. "Independent Perspective" as defined by the CFTC means a viewpoint that is impartial regarding competitive, commercial or industry concerns and contemplates the effect of a decision on all constituencies involved. DDR has incorporated an Independent Perspective into its nominations process, and the Board includes representatives from several constituencies impacted by the DDR operations. The Board is comprised of representatives from the dealer participants who are shareholders of DTCC, as well as firms who do not have an ownership interest in DTCC or DDR. DDR is required to consider a viewpoint that is impartial regarding competitive, commercial or industry concerns and contemplates the effect of a decision on all constituencies involved. DDR shall provide to the Autorité upon submission of its application a list of directors, and their employers, indicating if the company they are employed by holds an ownership interest in DTCC.

The CCO shall in satisfaction of the requirements of section 9(3) of the TR Rules resolve any potential conflicts of interest within DDR or related to the CCO's obligations in consultation with the Board or the CEO.

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Nomination Process

The Board, in conjunction with DTCC's Governance Committee, considers possible nominations on its own initiative and invites suggestions from customers of DDR. In identifying potential Board candidates, DDR considers relevant expertise and experience in various areas, such as:

- the derivatives industry;
- strategic planning (e.g. new business development, expansion of markets/products/customers, joint ventures);
- risk management (including credit, market, liquidity, operational, and systemic risks);
- information technology (e.g. infrastructure, applications development and maintenance, information security, disaster recover);
- operations;
- management of a business unit or function;
- finance;
- audit;
- compliance/legal/regulatory matters; and
- governmental/regulatory/legislative relationship management;

Potential candidates are asked to complete a questionnaire eliciting information regarding how their experience aligns with these factors.

Board of Directors

The Board meets with the CCO at least annually and the Board or the CEO must consult with the CCO to resolve any conflicts of interests that may arise, including conflicts between business considerations and compliance requirements, conflicts between business considerations and compliance requirements for fair and open access, and conflicts between management and members of the board.

For a current list of the members of the DDR Board please refer to the following website:
<http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

S.10 MANAGEMENT

DDR has established, implemented, maintained and enforced documented arrangements for its governance and management that are transparent and promote the efficient and effective operation of the trade repository. The roles and responsibilities of management are clearly defined and significant consideration has been given to the qualifications of individual employees related to their ability to carry out their designated roles and functions.

In addition to governance by its Board of Directors, DDR has a dedicated officer team that provides daily management oversight. The senior officers of DDR include a Chief Executive Officer, Counsel, Chief Compliance Officer, Business Manager, and Systems Director. See

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<http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/ddr-governance.ashx>.

S.11 CHIEF COMPLIANCE OFFICER^v

The Chief Compliance Officer (“CCO”) has been granted the authority and resources to develop and enforce policies and procedures necessary to fulfill the duties set forth in the CEA and the CFTC’s regulations and such other regulations to which DDR is or becomes subject. DDR shall, in satisfaction of the requirements of the TR Rules, have one individual serve as CCO notwithstanding its supervision by multiple regulators. The Board is responsible for the appointment and removal of the CCO, which is at the discretion of the Board. The Board is responsible for providing direction to and overseeing the conduct of the affairs of DDR in the interests of the company, its shareholders and other stakeholders. The Board also has a responsibility to comply with all applicable rules, policies and procedures of the Trade Repository in a manner consistent with effective corporate governance practices that are sufficient to support the safe and sound operation of the Trade Repository. It is implicit in the code of ethics and the principles of governance that the CCO have the requisite experience, competencies, integrity and mix of skills necessary to discharge its roles and responsibilities. The CFTC is notified within two business days of the appointment or removal of the CCO. The CCO reports to the Chief Executive Officer (“CEO”). The Board meets with the CCO at least annually. The CCO has supervisory authority over all staff acting at the direction of the CCO. The duties of the CCO include, but are not limited to, the following:

- (a) to oversee and review DDR’s compliance with section 21 of the CEA and applicable regulations;
- (b) in consultation with the Board or the CEO, to resolve any conflicts of interests that may arise, including conflicts between business considerations and compliance requirements, conflicts between business considerations and compliance requirements for fair and open access, and conflicts between the management and members of the Board;
- (c) to establish and administer written policies and procedures reasonably designed to prevent violation of the CEA and applicable regulations;
- (d) to take reasonable steps to ensure compliance with the CEA and applicable regulations relating to agreements, contracts or transactions and with applicable regulations under section 21 of the CEA, including the DDR rules and confidentiality and indemnification agreements entered into with foreign or domestic regulators;
- (e) to establish procedures for the remediation of non-compliance issues identified by the CCO through a compliance office review, look-back, internal or external audit finding, self-reported error, or validated complaint;
- (f) to establish and follow appropriate procedures for the handling, management response, remediation, retesting and closing of noncompliance issues;
- (g) to establish and administer a written code of ethics; and
- (h) to prepare and sign an annual compliance report in accordance with applicable regulations and associated recordkeeping.

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S.12 FEES^{vi}

All fees currently imposed by DDR in connection with the reporting of swap data and any other supplemental or ancillary services provided are equitable and established in a uniform and non-discriminatory manner, as required by CFTC regulations. DDR's Fees Schedule is available to all market participants on DDR's website. All fees imposed by DDR, as approved by the Board, will be commensurate to DDR's costs for providing the SDR services. Any fees associated with making services available to Users in Canada will be subject to any local regulatory requirements and will be publicly available on DDR's website.

S.13 ACCESS TO TRADE REPOSITORY SERVICES^{vii}

The services offered by DDR are available to all market participants on a fair, open and equal basis. DDR does not require the use or purchase of any other service for a person or company to utilize DDR's trade reporting service. DDR does not expect to reject applications by market participants who seek to utilize its services to satisfy their reporting obligations or those of their customers, but if an application to become a User is denied, or if a User's access is terminated, the procedures to appeal such decisions are contained in Rules 10.2 and 10.3 of the DDR Rulebook.

To participate in the services offered by DDR, each User must:

- (a) enter into a User Agreement which is included in the DDR Rulebook posted on the public website at:
http://dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx and
- (b) agree to be bound by the terms of the User Agreement and Operating Procedures, which incorporate terms of the DDR Rulebook.

In addition to the legal agreements, potential Users must go through an onboarding process which includes discussions with DDR's technical team to determine the best method of data submission for the User. The DDR on-boarding team initiates the on-boarding process by forwarding the required documentation to an applicant including the required User Agreement and relevant supplements. The DDR on-boarding team reviews the information received, records the applicant's information, obtains any missing or additional information, conducts an adverse news check on the applicant and escalates any findings, as necessary and appropriate. Once the DDR on-boarding team has collected all applicable data and information, the DDR on-boarding team will provide each applicant with an id. Using the id the DDR on-boarding team will create an account for the applicant in the Trade Repository operations system. The DDR access and onboarding procedures are provided to applicants as part of the onboarding process.

S.14 ACCEPTANCE OF REPORTING

DDR supports reporting of interest rate, commodities, equities, foreign exchange and credit derivatives transactions consistent with the applicable ISDA taxonomy.

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S.15 COMMUNICATION POLICIES, PROCEDURES AND STANDARDS

It is DDR's policy to accommodate market-accepted communication procedures and standards in order to facilitate the efficient exchange of data between its systems and those of its members other trade repositories, exchanges, clearing agencies, alternative trading systems, and other market places and service providers. There are multiple submission mechanisms available to facilitate Users of all levels of sophistication. Data can be submitted by connections/methods consisting of FTPs, web services, and MQ messaging protocols and private extranet or secure public internet connectivity options depending on whether they are submitting in FpML or CSV.

S.16 DUE PROCESS^{viii}

DDR rules incorporate due process measures available to parties who experience a denial of application, who have been sanctioned by DDR and whose membership has been involuntarily terminated.

Denial of Application

The due process afforded a potential User whose application has been denied is contained within DDR Rule 10.2.1. The process contained in the rules is described below.

- (a) To request a hearing on a denial of an application, a potential User shall file such a request (the "Hearing Request") with DDR within 5 business days of receipt of a notice that they have been denied access (a "Denial Notice"). The Hearing Request must set forth: (i) the action to be taken by DDR as set forth in the Denial Notice; and (ii) the name of the representative of the potential User who may be contacted with respect to a hearing.
- (b) Within 7 business days after the potential User files such Hearing Request, such potential User shall submit to DDR a clear and concise written statement (the "Applicant Statement") setting forth, with particularity: (i) the basis for objection to such action; and (ii) whether the potential User chooses to be represented by counsel at the hearing. DDR may deny the right for a hearing if the Applicant Statement fails to set forth a prima facie basis for contesting the violation.
- (c) The failure of a potential User to file either the Hearing Request and/or Applicant Statement within the time frames required under this Rule 10.2.1.1 will be deemed an election to waive the right to a hearing.
- (d) Hearings shall take place promptly after receipt of the Applicant Statement. DDR shall notify the potential User in writing of the date, place and hour of the hearing at least 5 business days prior to the hearing (unless the parties agree to waive the 5 business day requirement). Such hearing must take place in New York during business hours unless otherwise agreed by the parties.
- (e) A hearing shall be before a panel (the "Panel") of three individuals. The Panel shall consist of 3 members of the Board or their designees selected by the Chairman of the Board. At the hearing, the potential User shall be afforded an opportunity to be heard and may be represented by counsel if the potential User has so elected in the Applicant Statement. A record shall be kept of the hearing. The costs associated with the hearing may, in the discretion of the Panel, be charged in whole or in part to the potential User in the event that the decision at the hearing is adverse to the potential User.

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- (f) The Panel shall advise the potential User of its decision within 10 business days after the conclusion of the hearing. The decision of the Panel shall be disclosed in a notice of the decision (the "Decision Notice") setting forth the specific grounds upon which the decision is based and shall be furnished to the potential User. A copy of the Decision Notice shall also be furnished to the Chairman of the Board. If the decision of the Panel shall be to reverse the denial, such application will be returned to the staff for processing.
- (g) Any denial as to which a potential User has the right to request a hearing pursuant to Section 10.2.1 shall be deemed final upon the earliest of: (i) when the potential User stipulates to the denial; (ii) the expiration of the applicable time period provided for the filing of a Hearing Notice and/or Applicant Statement; or (iii) when the Decision Notice is delivered to the potential User. Notwithstanding the foregoing, the Board may in its discretion modify any sanctions imposed or reverse any decision of the Panel that is adverse to a potential User. The reversal or modification by the Board of a Panel decision or reversal or modification by the Panel of any action by DDR shall not provide such potential User with any rights against DDR or its officers or Directors for determination made prior to such reversal or modification.

Imposition of Sanctions

Pursuant to the DDR rules, DDR may institute proceedings to sanction a User for violation of its rules. DDR Rule 10.4 provides a description of the process utilized before a sanction is imposed and the ability of a User to request a hearing and an appeal prior to any sanctions being imposed. The due process allows Users who may be subject to the imposition of sanctions by DDR are described below.

- (a) Before any sanction is imposed, DDR shall furnish the User against whom the sanction is sought to be imposed ("Respondent") with a concise written statement of the charges against the Respondent. The Respondent shall have 10 business days after the service of such statement to file with DDR a written answer thereto. The answer shall admit or deny each allegation contained in the statement of charges and may also contain any defense which the Respondent wishes to submit. Allegations contained in the statement of charges which are not denied in the answer shall be deemed to have been admitted, and any defense not raised in the answer shall be deemed to have been waived. If an answer is not provided to DDR within the time permitted, as determined by the CCO, in consultation with DDR's Counsel, the allegations shall be deemed to have been admitted, and the Respondent will be notified in writing of any sanction that shall be imposed. If an answer is timely filed, DDR shall (unless the Respondent and DDR shall have stipulated to the imposition of an agreed sanction) schedule a hearing before a panel comprised of a chairman of the Disciplinary Panel and 2 (two) individuals appointed by the Board to conduct disciplinary proceedings under this Rule ("Disciplinary Panel"). At the hearing, the Respondent shall be afforded the opportunity to be heard and to present evidence on its behalf and may be represented by counsel. A record of the hearing shall be prepared and the cost of the transcript may, in the discretion of the Disciplinary Panel, be charged in whole or in part to the Respondent in the event any sanction is imposed on the Respondent. As soon as practicable after the conclusion of the hearing, the Disciplinary Panel shall furnish the Respondent and the Board with a written statement of its decision. If the decision is to impose a

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disciplinary sanction, the written statement shall set forth the sanction being imposed and the facts surrounding the violation of these Rules.

- (b) In the event that the Disciplinary Panel censures, fines, suspends, expels or limits the activities, functions or operations of any Respondent, any affected User may apply for review to the Board, by written motion filed with DDR within 5 business days after issuance of the Disciplinary Panel's written statement of its decision.
- (c) The granting of any such motion shall be within the discretion of the Board. In addition, the Board may determine to review any such action by a Disciplinary Panel on its own motion. Based upon such review, the Board may affirm, reverse or modify, in whole or in part, the decision of the Disciplinary Panel. The Respondent shall be notified in writing of the decision of the Board which shall be final. Once a decision of the Disciplinary Panel is final, the CCO will facilitate and coordinate the administration of any such sanctions imposed as a result of such disciplinary proceedings.
- (d) Any time limit set forth in this Rule may be extended by the body having jurisdiction over the matter in respect of which the time limit is imposed.

Involuntary Termination

Under specified circumstances, DDR Rule 10.3 permits DDR to take more expedited actions to prevent harm to the DDR Systems by terminating a User. The DDR Rules grants a User whose account is subject to involuntary termination due process to appeal this determination after this extraordinary action has been taken. The appeals process within DDR Rules is described in greater detail below.

- (a) A terminated User may appeal its termination of access by filing a written notice of appeal within 5 business days after the date of termination of access.
- (b) Appeals shall be considered and decided by the Appeal Panel (a panel comprised of a chairman and two individuals appointed by the Chairman of the Board to consider appeals under Rule 10.3 and the DDR Rules). Appeal shall be heard as promptly as possible, and in no event more than 5 business days after the filing of the notice of appeal. The appellant shall be notified of the time, place and date of the hearing not less than 3 business days in advance of such date. At the hearing, the appellant shall be afforded an opportunity to be heard and to present evidence in its own behalf, and may, if it so desires, be represented by counsel. As promptly as possible after the hearing, the Appeal Panel shall, by the vote of a majority of its members, affirm or reverse the termination of access or modify the terms thereof. The appellant shall be notified in writing of the Appeal Panel's decision; and if the decision shall have been to affirm or modify the termination, the appellant shall be given a written statement of the grounds therefor.
- (c) Any decision by the Appeal Panel to affirm or modify a termination shall be reviewable by the Board on its own motion or on written demand by the appellant filed with DDR within 3 business days after receipt of notice of the Appeal Panel's decision. The Board may, but is not required to, afford the appellant a further opportunity to be heard or to present evidence. The appellant shall be notified in writing of the decision of the Board, and if the decision shall have been to affirm or

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modify the termination, the appellant shall be given a written statement of the grounds therefor.

- (d) The filing of an appeal pursuant to this Rule shall not impair the validity or stay the effect of the termination appealed from. The reversal or modification of a termination shall not invalidate any acts of DDR taken pursuant to such termination prior to such reversal or modification, and the rights of any person which may arise out of any such acts shall not be affected by such reversal or modification.
- (e) A record shall be kept of any hearing held pursuant to these procedures. The cost of the transcript may, in the discretion of the body holding the hearing, be charged in whole or in part to the terminated User in the event that the termination to access is finally affirmed.

S.17 RULES, POLICIES AND PROCEDURES^x

DDR has published the DDR Rulebook in order to provide Users and potential Users with documented procedures that describe the key functions of DDR as well as the rights and obligations of its Users. We engage in compliance monitoring on an ongoing basis (please refer to the Operating Procedure.)

The DDR Rulebook, Operating Procedures and the User Agreements are governed by New York Law. New York is the forum for any legal proceedings between DDR and its Users; however, DDR will provide an agent for service of process in Quebec as required on form F2.

The DDR Rulebook is published on the DDR website and is provided to all interested parties during the onboarding process. Any planned changes to the DDR Rulebook are published in advance and currently require submission of a rule filing with the CFTC. The Rulebook, policies and procedures will be modified to address new jurisdictions in which DDR is registered. DDR shall provide to the Autorité a copy of all new rules and all material changes to its rules as such rules are released or changed.

DDR monitors use of its services on an ongoing basis through exceptions based alerting. Such monitoring is done on a message submission level to ensure proper usage of the service. The DDR Rulebook provides for the imposition of sanctions for violations of the rule as outlined in Section 10 of the DDR Rulebook.

In the event there is a conflict between the securities legislation in Quebec and any other legislation with which DDR is obligated to comply DDR may, in satisfaction of 17(1)(c) of the TR Rule, cease operating in Quebec. DDR would comply with Section 6 of the TR Rules and provide 180 days notice of such cessation. DDR would expect to work with the relevant regulators during that period to allow DDR to eliminate or minimize the impact on DDR of such conflict during that period. In the event of such a cessation, DDR will comply with its obligation to transfer historical data to a successor entity under section 20(6) of the TR Rules.

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S.18 RECORDS OF DATA REPORTED^x

DDR maintains all information as required by CFTC regulations. This currently includes maintaining swap data throughout the existence of the swap and for 15 years following termination of the swap. The Autorité under the TR Rule requires that data is maintained throughout the existence of the swap and for 7 years following termination of the swap well within the current standard utilized by DDR. The records are readily accessible throughout the life of a swap and for 5 years following its termination. For the remainder of the retention period, the swap record will be maintained in archival format and retrievable within 3 business days. DDR currently maintains this level of record retention for data that is stored within its databases. In addition to the primary database, data is currently also maintained in a back-up database in a secure, remote data center operated by its parent DTCC under the Service Agreement (referenced in S. 24) utilizing hardware that is similar to that deployed in the primary data center. DDR will continue to evaluate data retention needs and adjust its policies as the Trade Repository business becomes more mature.

S.19 RISK MANAGEMENT FRAMEWORK

The DDR Board is ultimately responsible for overseeing the effectiveness of DDR's risk management policies, procedures and systems. The Board (or its designated committee) is required to review the Risk Tolerance Statement, which is currently being developed; this will be derived from a portfolio view of key risks, and impact to DDR. It is expected that this will be presented on an annual basis. The Board is also provided operational risk reports, which includes key metrics and a description of incidents. The reports also include a snapshot view of the DDR Risk Profile.

DDR Management is responsible for identifying, assessing, measuring, monitoring, mitigating and reporting the risks that may arise in the management of the trade repository. To enable DDR Management to effectively identify, understand and appropriately mitigate risks, DDR is the first line of defense in DTCC's three lines of defense, as described in its corporate risk framework:

- ***the first line of defense***, which includes Product Management, Operations, Finance, Technology, Legal, Human Resources, and others, is responsible for proactively managing risk;
- ***the second line of defense***, which is comprised of control functions, is responsible for establishing risk management standards, providing advice and guidance to the first line of defense in adhering to the standards and monitoring compliance with the standards;
- ***the third line of defense***, which is comprised of the Internal Audit Department, is responsible for providing independent, objective assurance and advisory services to assist DDR in maintaining an effective system of internal controls, including the manner in which the first and second lines of defense operate.

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Risk Management Tools and Governance

DDR's risks are first assessed on an inherent risk basis, i.e., the risk before any mitigants and/or controls are applied, and then on a residual risk basis, i.e., the remaining risk after controls and/or mitigants are applied. DDR conducts monthly risk assessments of its operations and determines both the inherent and residual risks from its operations. In situations where the residual risks are not sufficiently mitigated by adequate controls, determination is made to consider such other controls as might be appropriate.

S.20. GENERAL BUSINESS RISK^{xi}

DDR defines business risk as the sum of various risks the enterprise may be exposed to, including Strategic and Operational risk.

DDR management works with Finance, Operational Risk Management, Information Technology (IT), Operations, Legal, Compliance, Government Relations, and other DTCC departments on an ongoing basis to review and assess risks that could impact the business risks faced by DDR.

Moreover, DDR management and staff are also very actively involved in industry forums and working groups to identify business and regulatory requirements, and to identify and assess any risks these might pose to the DDR.

DDR holds liquid net assets based on a rolling 6 months operating expenses evaluation. Currently, DDR holds such assets as cash. In addition, for capital planning purposes, forecasts are calculated based on budget forecasts; these are presented to the DDR Board.

In the event DDR winds down its business, DDR commits to cooperating with the transfer of data to a successor registered trade repository or the regulator.

DDR will in satisfaction of sections 20(3), 20(4), and 20(5) of the TR Rules hold capital equal to a minimum of six months of operating expenses to allow for an orderly wind down if necessary. DDR shall in satisfaction of the requirement of sections 6(2) and 20(6) of the TR Rules maintain historical records not transferred to a successor entity.

S.21 SYSTEM AND OTHER OPERATIONAL RISK REQUIREMENTS^{xii}

DDR's risks are first assessed on an inherent risk basis, i.e., the risk before any mitigants and/or controls are applied, and then on a residual risk basis, i.e., the remaining risk after controls and/or mitigants are applied. DDR conducts monthly risk assessments of its operations and determines both the inherent and residual risks from its operations and tests continuity plan readiness and connectivity on a regular basis, ensuring that Users and third party vendors/service providers can connect to our primary back-up sites. The DDR Risk Profile is reviewed with DDR management and ORMD. In situations where the residual risks are not sufficiently mitigated by adequate controls, determination is made to consider such other controls as might be appropriate. DDR on a reasonably frequent basis makes reasonable current and future capacity estimates and conducts capacity stress tests prior to major releases. In satisfaction of TR Rule 21(6), DDR conducts an annual internal audit. The scope of such audit will be determined by DDR and the Autorité.

DTCC's Operational Risk Management Department ("ORMD") framework is approved by the Board, which is applied for DDR, is comprised of multiple elements, including:

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- Internal Incident Data Collection
- Risk Assessment – Operational Risk Profile
- Metrics
- Issue Tracking
- Reporting

DDR, working with ORMD, has also developed a monthly operational risk profile. In addition to centralizing the key drivers of residual risk, this profile identifies the day-to day operational risks in DDR's business process flows on a more granular level. The profile also consolidates all other control findings (incidents, audit findings, compliance testing results, etc.) and mitigation action plans. Trending information on incidents as well as metrics relevant to the two risk families are incorporated and will be leveraged to map back to the overall risk tolerance statements for DDR's two risk categories. The DDR Risk Profile is reviewed with DDR management and ORMD. Changes in the business and/or risks would trigger a re-assessment of the metrics captured; the Risk profile would be updated accordingly.

DDR defines business risk as the sum of various risks the enterprise may be exposed to, which include:

- Strategic risk;
- Operational risk; and

DDR management works with Finance, Operational Risk Management, Information Technology (IT), Operations, Legal, Compliance, Government Relations, and other internal areas on an ongoing basis to review and assess risks that could impact the business risks faced by DDR. This includes:

- Ongoing review of the DDR, including revenues, expenses, actual versus target performance, financial projections and funding.
- Ongoing meetings with Information Technology to review and assess application development,
- Ongoing application maintenance, performance testing, and infrastructure.
- Ongoing meetings with Operations to review operational support and any potential risks or issues.

Moreover, DDR management and staff are also very actively involved in industry forums and working groups to identify business and regulatory requirements, and to identify and assess any risks these might pose to the DDR.

The DDR System is supported by DTCC and relies on the disaster recovery program maintained by DTCC. In satisfaction of 21(5), DDR follows these key principles for business continuity and disaster recovery, which enables DDR to provide timely resumption of critical services should there be any disruption to DDR business:

- (a) Achieve recovery of critical services within a four-hour window with faster recovery time in less extreme situations in satisfaction of 21(4);
- (b) Disperse staff across geographically diverse operating facilities;
- (c) Operate multiple back-up data centers linked by a highly resilient network technology;
- (d) Maintain emergency command and out-of-region operating control;

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- (e) Utilize new technology which provides high-volume, high-speed, asynchronous data transfer over distances of 1,000 miles or more;
- (f) Maintain processes that mitigate marketplace, operational and cyber-attack risks;
- (g) Test continuity plan readiness and connectivity on a regular basis, ensuring that Users and third party vendors/service providers can connect to our primary and back-up sites;
- (h) Communicate on an emergency basis with the market, Users and government agency decision-makers; and
- (i) Evaluate, test and utilize best business continuity and resiliency practice

DDR discloses to potential Users on its website the various methods available to interface with or access the trade repository. A reasonable period of time will be allowed for testing once operations have begun and prior to the commencement of operations and a reasonable period of time will be allowed for testing and system modifications. DDR publishes notifications sufficiently in advance before implementing a material change to technology requirements and allows a reasonable period of time for testing and system modifications.

DDR provides testing facilities for accessing or connecting to the trade repository. These facilities are provided sufficiently in advance of implementing a material change to technology requirements to allow a reasonable period for testing and system modifications by Users.

In satisfaction of 21, DDR shall provide the Autorité staff timely advance notice of all: (1) Planned changes to the automated systems that may impact the reliability, security, or adequate scalable capacity of such systems; and (2) Planned changes to the swap data repository's program of risk analysis and oversight in line with its requirements to notify the CFTC of such changes.

S.22. DATA SECURITY AND CONFIDENTIALITY^{xiii}

DTCC has established a Technology Risk Management team ("TRM"), whose role is to manage information security risk and the availability, integrity and confidentiality of the organization's information assets. The TRM supports the data security and confidentiality needs of DDR pursuant to a service level agreement between DTCC and DDR.

Various policies have been developed to provide the framework for both physical and information security and are routinely refreshed. TRM carries out a series of processes to protect DDR in a cost-effective and comprehensive manner. This includes preventative controls such as firewalls, appropriate encryption technology and authentication methods. Vulnerability scanning is used to identify high risks to be mitigated and managed and to measure conformance against the existing policies and standards.

Standards for protecting DDR's information are based upon the sensitivity level of that information. Control standards specify technical requirements for protection and end user handling of information while in use, transmission and storage.

DDR does not currently engage in any commercial use of data relating to SDR Services. DDR data relating to specific counterparties may be provided to third parties subject to consent from that counterparty or submitter of the trade. DDR does not, as a condition of the reporting of swap transaction data, require a reporting party to consent to the use of reported data for commercial or business purposes.

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S.23. CONFIRMATION OF DATA AND INFORMATION^{xiv}

DDR confirms accuracy of derivative data that it receives by checking inbound submissions and making available reports of data submitted available to Users. Upon submission, the DDR system will perform validation checks to ensure that each submitted record is in the proper format and will also perform validation and consistency checks against certain data elements. If the record fails these validation or consistency checks, the record will be rejected and such rejection status will be communicated to the User(s) to correct and resubmit. DDR cannot identify the duplication of records in the event both parties to a transaction report the same transaction and a unique trade identifier has not been provided. Each User is provided with access to reports showing data submitted by them, for them or naming them as counterparty to a transaction. Users can utilize these reports to confirm that data held by DDR pertaining to their transactions is accurate.

S.24 OUTSOURCING

- There is a written Service Agreement (“SLA”) between DTCC and DDR. Pursuant to this SLA, DDR receives shared support functions from its parent. DDR does not outsource any of its trade repository obligations. It does, however, operate on shared services model pursuant to which the following departmental functions are shared for all DTCC subsidiaries in accordance with the SLA.

Referenced below are some of the shared functions included in the SLA:

- Audit
- Finance
- Technology Risk Management
- Operational Risk Management
- Operation/Onboarding
- Corporate Communications
- Human Resources
- Internal Security
- IT Infrastructure Application Development and Maintenance
- Legal

S.29 UNIQUE TRANSACTION IDENTIFIERS

DDR, may, in satisfaction of section 29 of the TR Rule, utilize reporting party generated unique transaction identifiers and unique swap identifiers, whether self generated or generated by DDR in the form of existing UTI’s and USI’s, as such terms are defined in EMIR, CEA and applicable CFTC regulations.

S.37 DATA AVAILABLE TO REGULATORS^{xv}

Data is made available to regulators to the extent such regulator is eligible to receive data under relevant law and regulation. Pursuant to applicable law, the CFTC is provided with direct electronic access to DDR data to satisfy their legal and regulatory obligations. Access to DDR data by other domestic or foreign regulators or appropriate third-parties is governed by applicable regulations.

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These regulations generally permit access to data that has been submitted to DDR pursuant to the regulatory requirements of another jurisdiction and for which DDR is appropriately registered with such regulators and is subject to their supervision. In that circumstance, access to such data will be granted without requiring a confidentiality and indemnification agreement. All other types of requests for data may be made and satisfied if the appropriate confidentiality and indemnification agreement has been provided to DDR pursuant to applicable CFTC regulations

DDR shall provide Users and the Autorité with prior notification of scheduled system downtime and routine system downtime on a regular basis to perform system maintenance, code deployments and/or other changes as necessary.

S.38 DATA AVAILABLE TO COUNTERPARTIES^{xvi}

DDR provides Users, and third-party service providers authorized by a User, with access to transactions in which the User is a counterparty. This information is available via reports and other messages that are provided to the Users or authorized agents of the counterparties.

S.39 DATA AVAILABLE TO THE PUBLIC^{xvii}

Data will be made available to the public on DDR's website in accordance with applicable regulations and the Order designating /recognizing DDR.

ⁱ Please refer to Section 2.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

ⁱⁱ Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

ⁱⁱⁱ Please refer to Section 2.2 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{iv} Please refer to the DTCC Data Repository (U.S.) LLC Governance document publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/Data-and-Repository-Services/GTR/US-DDR/DDR_Governance_012814.ashx.

^v Please refer to Section 2.3 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{vi} Please refer to Section 1.4 in the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{vii} Please refer to Sections 1.1 & 1.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on DTCC's website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{viii} Please refer to Sections 10.2.1 & 10.2.1.1, 10.3 & 10.4 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

^{ix} Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR_Rulebook.ashx

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^x Please refer to Section 1.3.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xi} In addition to the information referenced above please also refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website:
<http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xii} In addition to the information referenced above please also refer to Section 8.1 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website:
<http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xiii} Please refer to Section 6.3 & 9.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xiv} Please refer to Section 10.1.1 of the DTCC Date Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xv} Please refer to Section 6.2 of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website: <http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xvi} Please refer to the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website:
<http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

^{xvii} Please refer to Section 6.1 and the Appendix Section V as set forth in Appendix B : Operating Procedures of the DTCC Data Repository (U.S.) LLC Rulebook publicly accessible on the DTCC website:
<http://www.dtcc.com/~media/Files/Downloads/legal/rules/DDR Rulebook.ashx>

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APPENDIX "A"

EXEMPTIONS

DDR has applied to the Autorité for recognition as a trade repository under sections 12 and 14 of the QDA, and will be subject to the TR Rule and the terms and conditions of its recognition decision by the Autorité. The Autorité, pursuant to section 86 of the QDA, may exempt DDR, in whole or in part, from a requirement in the TR Rule. Therefore DDR hereby seeks exemption from the following provisions of the TR Rule:

1. Subsection 4(1) of the TR Rule,
2. Subsection 5(1) of the TR Rule,
3. Subsection 20(2) of the TR Rule,
4. Subsections 20(4) and 20(5) of the TR Rule,
5. Subsection 39(1) of the TR Rule.

DDR is applying for these exemptions on the following basis:

1. DDR does not have audited financial statements for its most recently completed financial year; however DDR has provided to the Autorité its unaudited financial statements and audited financial statements of its ultimate parent, The Depository Trust & Clearing Corporation (DTCC), for the most recent financial year.
2. DDR is not required to file annual audited financial statements with the CFTC, but is required to file annual unaudited financial statements and to maintain liquid net assets equal to a minimum of six months of operating expenses pursuant to CFTC requirements. DDR has represented that it will provide its annually unaudited financial statements and audited financial statements of DTCC, to the Autorité concurrently with filing with the CFTC and will maintain the required liquid net assets.
3. DDR is required under CFTC's requirements to maintain sufficient financial resources to perform its SDR functions and such amount should cover its operating costs for a period of at least one year. DDR holds sufficient liquid net assets, in the amount of at least six months current operating expenses, to cover potential general business losses pursuant to TR Rule; although it does not maintain insurance coverage for this purpose, maintenance of insurance would be duplicative for the purposes of covering business risk.
4. International work on wind-down planning is ongoing at CPSS-IOSCO level, and DDR is not currently subject to CFTC's requirements relating to orderly wind-down.
5. Due to technical limitations and time constraints at this time, DDR will be unable to provide data on open positions, volume and price by October 31, 2014 but will be able to provide such data by March 31, 2014.

Avis multilatéral 24-311 du personnel des ACVM

Contreparties centrales admissibles

Le 28 juillet 2014

Le présent avis est publié conjointement par la Banque du Canada, l'Alberta Securities Commission (ASC), l'Autorité des marchés financiers (AMF) du Québec, la British Columbia Securities Commission (BCSC), la Commission des valeurs mobilières du Manitoba (CVMM) ainsi que la Commission des valeurs mobilières de l'Ontario (CVMO).

Il a pour objet d'annoncer que les contreparties centrales (CC) domiciliées au Canada indiquées au Tableau 1 ci-dessous peuvent être considérées comme des contreparties centrales admissibles (CCA) aux termes de la norme sur le traitement relatif aux fonds propres de certaines expositions bancaires aux CC, laquelle a été établie par le Comité de Bâle sur le contrôle bancaire (CBCB)¹.

Tableau 1 : Contreparties centrales admissibles domiciliées au Canada

Entité juridique (système) ^a	Autorité de désignation ou de reconnaissance
Services de dépôt et de compensation CDS inc. ^b (CDSX)	Banque du Canada AMF BCSC CVMO
Corporation canadienne de compensation de produits dérivés (Service canadien de compensation de produits dérivés)	Banque du Canada AMF BCSC CVMO
ICE Clear Canada, Inc.	CVMM
Natural Gas Exchange Inc.	ASC

^a Les autorités provinciales en valeurs mobilières ont, en les reconnaissant, assujetti à leur surveillance réglementaire les entités juridiques qui exploitent respectivement les systèmes de compensation. La Banque du Canada a pour sa part assujetti à sa surveillance les différents systèmes qui fournissent des services de CC en les désignant.

^b La société mère de cette entité, La Caisse canadienne de dépôt de valeurs limitée, est également reconnue par l'AMF et la CVMO en vertu des lois qui les régissent respectivement.

La norme du CBCB établit une distinction entre les CC selon leur état du point de vue de la réglementation. Certaines expositions bancaires aux CC assujetties à une réglementation prudentielle qui est établie selon des normes conformes aux [Principes pour les infrastructures de marchés financiers](#) formulés par le Comité sur les systèmes de paiement et de règlement (CSPR) et

¹ En juillet 2012, le CBCB a publié des règles provisoires applicables aux exigences de fonds propres concernant les expositions bancaires aux CC. La [norme définitive \(en anglais seulement\)](#), publiée en avril 2014, prendra effet le 1^{er} janvier 2017. Les [exigences provisoires](#) continueront de s'appliquer d'ici là. Les exigences provisoires et la norme définitive donnent la même définition d'une CCA.

l'Organisation internationale des commissions de valeurs (OICV) sont soumises à des exigences de fonds propres moindres que les expositions aux autres CC. Plus précisément, la norme du CBCB définit une CCA ainsi :

[...] une entité agréée (y compris à titre dérogatoire) pour agir en qualité de CC, et autorisée par l'autorité de réglementation/surveillance compétente à opérer en cette qualité pour les produits offerts. L'autorisation est subordonnée à la condition que la CC soit établie, et fasse l'objet d'un contrôle prudentiel, dans une juridiction où l'autorité de réglementation/surveillance compétente a mis en place une réglementation locale conforme aux Principes pour les infrastructures de marchés financiers formulés par le CSFR et l'OICV, et où elle a indiqué publiquement qu'elle les applique en permanence à la CC.

À la fin de 2012, le CBCB a publié des [Questions fréquemment posées](#), document dans lequel il précise à des fins de clarification que, si l'autorité de réglementation d'une CC a annoncé publiquement l'admissibilité ou la non-admissibilité d'une CC, alors les banques traiteront les expositions envers cette CC conformément à cette décision.

Au Canada, le Bureau du surintendant des institutions financières (BSIF), qui assure la réglementation et la supervision de toutes les banques au pays, a adopté, dans sa ligne directrice *Normes de fonds propres*, la définition du CBCB de ce qui constitue une CCA. Le BSIF se réserve le droit, au titre du [deuxième pilier](#) (en anglais seulement) du cadre réglementaire du CBCB applicable aux banques, d'exiger que celles-ci détiennent des fonds propres additionnels pour couvrir leurs expositions à de telles CC.

La Banque du Canada et les autorités provinciales en valeurs mobilières sont chargées de la surveillance et de la réglementation des CC au Canada. Les autorités compétentes ont adopté les Principes énoncés par le CSRP et l'OICV comme norme de gestion des risques régissant les CC. La Banque du Canada et les autorités provinciales en valeurs mobilières travaillent en consultation pour mettre en œuvre les Principes de manière cohérente.

- La *Loi sur la compensation et le règlement des paiements* (Canada) charge la Banque du Canada de la désignation et de la surveillance réglementaire des systèmes de paiement et de règlement aux fins de la maîtrise du risque systémique. La surveillance exercée par la Banque a pour objectifs de voir à ce que les infrastructures de marchés financiers désignées (y compris les CC) fonctionnent de manière à ce que les risques soient adéquatement contrôlés, et d'accroître l'efficacité et la stabilité du système financier canadien. Le Service canadien de compensation de produits dérivés et le CDSX (qui comprend le service de CC connu sous le nom de Règlement net continu) ont été désignés par la Banque du Canada comme étant des systèmes d'importance systémique et sont donc assujettis à la surveillance prudentielle de l'institution. En 2012, elle a fait des Principes ses normes en matière de gestion des risques pour les infrastructures de marchés financiers désignées.
- En vertu des lois et règlements qui les régissent respectivement, les autorités provinciales en valeurs mobilières sont tenues de veiller à la protection des investisseurs, de même qu'au maintien de l'équité et de l'efficacité des marchés financiers ainsi qu'à la confiance à leur égard. Ces régimes provinciaux de réglementation des valeurs mobilières ont un vaste champ

d'application s'étendant à la reconnaissance, à la surveillance et au contrôle prudentiel des infrastructures de marchés financiers considérées comme des « chambres de compensation » (qui englobent généralement, par définition, les CC). L'ASC, l'AMF, la BCSC, la CVMM et la CVMO imposent aux CC qu'elles reconnaissent à ce titre de se conformer aux Principes du CSPR et de l'OICV aux termes des décisions de reconnaissance qu'elles ont respectivement délivrées. Les conditions de ces décisions de reconnaissance ont force de loi pour les entités reconnues. Par ailleurs, ces autorités de réglementation en sont à élaborer des règlements conformes aux Principes du CSPR et de l'OICV en vue d'encadrer les chambres de compensation, y compris les CC, et elles ont également indiqué publiquement que ces règlements s'appliqueront en permanence aux CC reconnues. À l'heure actuelle, quatre CC domiciliées au Canada ont obtenu la reconnaissance dans au moins une province : les Services de dépôt et de compensation CDS inc., la Corporation canadienne de compensation de produits dérivés, ICE Clear Canada, Inc. et la Natural Gas Exchange Inc.

Ensemble, les mesures prises par la Banque du Canada et les autorités provinciales en valeurs mobilières ont pour effet que les CC susmentionnées répondent à la définition de CCA adoptée par le CBCB et le BSIF. Ces CCA sont autorisées à agir en qualité de CC et sont l'objet du contrôle prudentiel d'un organisme de réglementation ou de surveillance qui a mis en place une réglementation locale conforme aux Principes du CSPR et de l'OICV, et qui a indiqué publiquement qu'il les applique en permanence à ces CC.

L'état d'une CC peut changer. Dans l'éventualité où il serait établi qu'une des CC susmentionnées ne répond plus aux conditions requises pour être considérée comme une CCA, le présent avis serait modifié en conséquence.

Questions

Si vous avez des questions concernant le présent avis, veuillez vous adresser à l'une des personnes suivantes :

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